

BOWATER PACKAGING LIMITED
REGISTRATION NUMBER : 192236

DIRECTORS REPORT

The Directors present the accounts of the Company for the year ended 31st December 1993.

Activities

The principal activities comprise the manufacture and sale of corrugated fibreboard packaging, litho printed cartons, pharmaceutical packaging, liquid packaging and bag-in-box systems, foil & paper products, paper and plastic bags, blow moulded containers, fibre drums, flexible bulk containers, cast films and metallising and coating of plastic films.

In January 1993, the company acquired the share capital of various businesses and the assets of various businesses from fellow subsidiaries McCorquodale Commercial Products Limited, Viking Packaging Limited and Mulox IBC Limited, and disposed of its business form operation to a fellow subsidiary, Bowater Printing Limited.

In July 1993 the trade and assets of Welton Medical were sold to Westfield Medical Ltd.

In November 1993, to reduce intercompany borrowing which had increased in 1992 as a result of the purchase of investments in DRG companies, a rights issue of 2,053,316 ordinary shares of £1 at a price of £60 was proposed. The offer was accepted in full by the shareholders.

In December 1993, the company was acquired by Bowater Investments Ltd (formerly CBM (1935) Limited), a wholly owned subsidiary of Bowater plc.

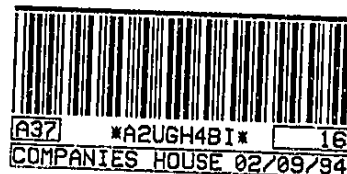
The profit for the year amounted to £25,696,000. The Directors have declared interim dividends of £47,093,000 and do not recommend the payment of a final dividend, leaving a deficit of £21,397,000 to be transferred to reserves.

Future Development

The company will endeavour to develop profitable growth in each of its businesses.

Directors

S. M. Wallis (Chairman), D. E. A. Jones, W. P. Long, W. H. Moran and D. C. A. Simon held office throughout the year.



Directors Interests

Other than S. M. Wallis who is Director of Bowater plc, the Directors of the company 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 Bowater plc as follows:

	Ordinary Shares of 50p each:		Share Options SAYE Scheme: **	
	<u>1.1.93*</u>	<u>31.12.93</u>	<u>1.1.93*</u>	<u>31.12.93</u>
D. E. A. Jones	-	-	-	-
W. P. Long	4,400	2,133	3,770	6,541
W. H. Moran	-	-	9,900	12,219
D. C. A. Simon	8	8	8,392	8,667

Share Options - Senior Executive **

	<u>1.1.93*</u>	<u>Granted</u>	<u>Exercised</u>	<u>31.12.93</u>
D. E. A. Jones	83,406	28,747	47,736	67,168
W. P. Long	84,608	26,277	27,279	86,397
W. H. Moran	84,798	29,571	-	117,167
D. C. A. Simon	63,198	28,220	-	93,503

* Or date of appointment if later.

** Following the Rights Issue announced in February 1993 by Bowater plc, the number of shares under option and the relative exercise prices have been adjusted. Further details of the Rights Issue can be found in the Accounts of Bowater plc.

Fixed Assets

The movements of fixed assets are shown in note 10 to the accounts on page 12.

Employees

Bowater Packaging recognises the mutual benefits of communication, consultation and employee involvement at all levels. Each business has developed a communication network appropriate to its needs, and there is no fixed pattern of style. During the last 12 months we have continued the flow of information to our employees and efforts are being made to improve the consultative process.

Disabled persons are employed and trained whenever their aptitudes and abilities allow and suitable vacancies are available. Where an employee becomes disabled an attempt is made to continue his or her employment and to arrange appropriate retraining or transfer if necessary.

Auditors

Ernst & Young have expressed their willingness to continue in office as Auditors.

By order of the Board.
I. M. McLeod : Secretary.



BOWATER PACKAGING LIMITED

DIRECTORS RESPONSIBILITIES

Preparation of the Financial Statements

This statement, which should be read together with the auditors report set out below, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements 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 in preparing the financial statements on pages 4 to 19 appropriate accounting policies have been used, consistently applied and supported by reasonable and prudent judgements and estimates and that 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 financial statements comply with the Companies Act 1985.

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

REPORT OF THE AUDITORS TO THE MEMBERS OF BOWATER PACKAGING LIMITED

We have audited the accounts on pages 4 to 19 which have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and long leaseholds, and on the basis of the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on this page 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 an 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 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 mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation on the 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 31st December 1993 and of its profits for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young, Chartered Accountants, Registered Auditor, London.

Date. 31 May 1994

BOWATER PACKAGING LIMITED**PROFIT AND LOSS ACCOUNT - YEAR ENDED 31ST DECEMBER 1993**

	NOTES	1993 £000	1992 £000
Turnover:			
Continuing		230,017	223,472
Acquisitions		67,033	
		<hr/>	
Discontinued		297,050	41,375
		1,331	
		<hr/>	
Turnover	(3)	298,381	264,847
Operating Expenses	(4)	268,740	240,530
		<hr/>	<hr/>
Operating Profit:			
Continuing		23,322	21,362
Acquisitions		6,110	
		<hr/>	
Discontinued		29,432	2,955
		209	
		<hr/>	<hr/>
Operating Profit		29,641	24,317
Exceptional item:			
Profit on sale of discontinued operations	(5)	788	-
Income from Group Undertakings		5,039	6,437
Interest - payable	(6)	(8,525)	(6,839)
Interest - receivable	(6)	767	6,228
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		27,710	30,143
Taxation	(7)	(2,014)	(1,573)
		<hr/>	<hr/>
Profit on Ordinary Activities after Taxation		25,696	28,570
Interim Dividends		(47,093)	(23,821)
		<hr/>	<hr/>
Transfer to Reserves	(22)	(21,397)	4,749
		<hr/>	<hr/>

BOWATER PACKAGING LIMITED**BALANCE SHEET - 31ST DECEMBER 1993**

	Note	1993 £'000	1992 £'000
Tangible Assets	(10)	105,925	84,624
Investments	(11)	151,118	198,744
		<hr/>	<hr/>
FIXED ASSETS		257,043	229,368
		<hr/>	<hr/>
Stocks	(12)	22,017	18,977
Debtors	(13)	64,187	81,867
Properties surplus to requirements		1,713	568
Cash at bank and in hand		16,049	17,102
		<hr/>	<hr/>
CURRENT ASSETS		103,966	118,514
		<hr/>	<hr/>
CREDITORS			
Amounts falling due within 1 year	(14)	(81,099)	(262,258)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		22,867	(143,744)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		279,910	79,624
		<hr/>	<hr/>
CREDITORS			
Amounts falling due after more than 1 year	(14)	(98,388)	(3,300)
Provision for liabilities and charges	(17)	(483)	(752)
Deferred Income		(967)	(471)
Deferred Tax	(18)	(2,424)	-
		<hr/>	<hr/>
		177,648	75,101
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	(19)	8,893	6,780
Share Premium	(20)	121,146	-
Revaluation Reserve	(21)	10,329	10,797
Profit and Loss Account	(22)	87,340	57,524
		<hr/>	<hr/>
		177,648	75,101
		<hr/>	<hr/>

Approved by a Board Resolution dated 31 May 1994



D.E.A. Jones

BOWATER PACKAGING LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31ST DECEMBER 1993**

	1993 £'000	1992 £'000
Profit for the financial year	25,696	28,570
Unrealised surplus/deficit on revaluations of properties	745	(8,034)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	26,441	20,536
	<hr/>	<hr/>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS FOR THE YEAR ENDED 31st DECEMBER 1993.

Profit for the financial year	25,696	28,570
Dividends	(47,093)	(23,821)
	<hr/>	<hr/>
	(21,397)	4,749
	<hr/>	<hr/>
New share capital subscribed	123,199	-
Surplus/deficit on revaluation of properties	745	(8,034)
Goodwill	-	81
	<hr/>	<hr/>
Net addition to shareholders' funds	102,547	(3,204)
	<hr/>	<hr/>
At 1st January	75,101	78,905
	<hr/>	<hr/>
At 31st December	177,648	75,101
	<hr/>	<hr/>

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31st DECEMBER 1993.

Reported profit on ordinary activities before taxation	27,710	30,143
Realisation of property revaluation gains	1,056	-
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	157	273
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	28,923	30,416
	<hr/>	<hr/>
Historical cost profit for the year retained after taxation and dividends	(20,184)	5,022
	<hr/>	<hr/>

BOWATER PACKAGING LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993

1. ACCOUNTING POLICIES

Basis of Preparation

The accounts are prepared under the historical costs convention, as modified by the revaluation of freehold land and buildings and long leaseholds, and in accordance with applicable accounting standards.

Cash Flow Statement

As Bowater Packaging Limited is a wholly owned subsidiary undertaking of Bowater plc which has prepared a cash flow statement in accordance with FRS1, Bowater Packaging Limited has not prepared a cash flow statement.

Turnover

Turnover is defined as the net amount receivable (excluding VAT) for goods supplied and services provided and includes sales to fellow subsidiary undertakings.

Interest

Interest is recorded in the profit and loss account on an accruals basis, except where it relates to payments made over an extended period of development of large capital projects. Such interest is added to the capital cost and amortised over the effective lives of those projects.

Tangible Fixed Assets

Tangible assets are stated at cost or valuation. Depreciation is calculated to write-off the book value of tangible assets over their expected lives by equal annual instalments, except that depreciation is not provided on freehold land or assets under construction.

Tangible assets are depreciated at the following rates:

Freehold Buildings	2%
Long Leasehold Property	2%
Short Leasehold Property	Life of Lease
Plant, machinery and vehicles	5% to 50%

Investment Grants

Investment grants and regional development grants are credited to profit and loss account at rates reflecting the expected life of relevant assets, depreciation having been provided on the cost of assets before deducting grants.

Other grants are credited to profit and loss account to offset the matching expenditure.

Stocks

Stocks are stated at the lower of cost, including production overheads, and net realisable value.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Differences arising from fluctuations in exchange rates are taken to profit and loss account where they relate to items of a trading nature.

BOWATER PACKAGING LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)

Deferred Taxation

Deferred taxation is provided at appropriate rates on any significant timing differences between accounting and taxable profits, except where it can be demonstrated with reasonable probability that a tax liability is unlikely to crystallise in the foreseeable future.

Leases

Assets acquired under finance leases are capitalised and the capital element of outstanding lease rentals is included in creditors. Operating lease rentals are charged in the profit and loss account as incurred.

Pensions

The expected cost of providing pensions in respect of defined benefit schemes is charged to the profit and loss account over the estimated service lives of the employees in the schemes. Variations from regular costs are similarly spread over the expected remaining service lives.

Properties Surplus to Requirements

Properties held for disposal are included in current assets at the lower of cost or net realisable value.

Goodwill

Goodwill arising from acquisitions is eliminated against reserves at the time of acquisition.

2. Ultimate Parent Undertaking

The ultimate parent undertaking is Bowater plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Annual Report and Accounts of Bowater plc can be obtained by writing to Bowater plc, Bowater House, Knightsbridge, London, SW1X 7NN.

3. Turnover

By Destination	1993 £'000	1992 £'000
United Kingdom	260,302	234,257
Europe (Continental)	32,949	28,779
Americas	1,588	820
Asia	1,949	482
Australasia	656	264
Africa	937	245
	<hr/>	<hr/>
	298,351	264,847
	<hr/>	<hr/>

All of the company's turnover and profit before taxation arises from the manufacture and sale of packaging materials. All of the company's operating assets are used for this purpose. All turnover and profit before taxation originates in the UK, and all net assets are located in the UK.

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)**

4. Operating Expenses	1993 £'000	1992 £'000
Raw materials	151,136	135,174
Employee costs (note 8)	78,418	65,272
Depreciation - owned	10,026	7,619
- leased	2,191	2,691
Other operating charges	38,235	36,865
Research and development	709	225
Change in stocks of finished goods and work in progress	(2,827)	611
Own work capitalised	(755)	(436)
Government grants	(130)	(101)
Other operating income	(8,263)	(7,390)
	<hr/> 268,740	<hr/> 240,530
Other operating charges include:		
Operating lease rentals - equipment	1,093	992
- other	1,651	1,529
Hire of plant, machinery and computers	580	486
Auditors remuneration	236	165

The analysis of operating expenses for acquisitions, and continuing and discontinued businesses is as follows:

	1993 £'000	1993 £'000	1993 £'000	1993 £'000
	Acquisition	Discont.	Continuing	Total
Other Operating Income	(270)	-	(8,123)	(8,393)
Raw Materials	33,798	653	116,685	151,136
Other Operating Costs	5,238	184	29,945	35,362
Employee Costs	19,604	269	58,545	78,418
Depreciation	2,558	16	9,643	12,217
	<hr/> 60,923	<hr/> 1,122	<hr/> 206,695	<hr/> 268,740
		1992 £'000	1992 £'000	1992 £'000
		Discontinued	Continuing	Total
Other Operating Income		(197)	(7,294)	(7,491)
Raw Materials		24,372	110,802	135,174
Other Operating Costs		4,990	32,275	37,265
Employee Costs		7,707	57,565	65,272
Depreciation		1,548	8,762	10,310
		<hr/> 38,420	<hr/> 202,110	<hr/> 240,530

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)**

5. The exceptional profit arose from the disposal of the Medical Packaging business.

6.	Interest	1993 £'000	1992 £'000
	Payable:		
	Long term loan - fellow subsidiary undertaking	7,618	3,657
	Finance leases	329	708
	Other short term borrowing -		
	Fellow subsidiary undertakings	726	962
	Subsidiary undertakings	-	1,251
	Other third party	94	351
	Capitalised interest	(242)	(90)
		<hr/>	<hr/>
		8,525	6,839
		<hr/>	<hr/>
	Receivable:		
	Third Party	434	1,438
	Fellow subsidiary undertakings	333	3,873
	Subsidiary undertakings	-	917
		<hr/>	<hr/>
		767	6,228
		<hr/>	<hr/>
7.	Taxation		
	Corporation tax at 33%	5,621	8,700
	Tax on franked investment income	330	1,609
	Advance corporation tax surrendered by		
	ultimate parent undertaking	(3,937)	(6,591)
	Adjustment to prior years	-	(2,145)
		<hr/>	<hr/>
		2,014	1,573
		<hr/>	<hr/>
8.	Employees		
a)	Employee costs:		
	Wages and salaries	69,145	57,331
	Social security costs	5,881	4,725
	Other pension costs	3,392	3,216
		<hr/>	<hr/>
		78,418	65,272
		<hr/>	<hr/>

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)****b) Pensions**

The majority of employees belong to the Bowater Employee Benefit Plans, a pension scheme of the defined benefit type. The charge in these accounts represents contributions paid to the scheme in accordance with the group's funding policy which is to maintain total group contributions at a level similar to those made by its employees.

The funding policy does not take full account of the surplus disclosed in the scheme by the last actuarial valuation which was carried out as at 5th April 1991 and details of which are disclosed in the consolidated accounts of Bowater plc. The prepayment arising in respect of the group as a whole under the scheme is also disclosed in those accounts.

c) Weekly average number of employees	1993	1992
Operatives	3,205	2,742
Staff	1,342	1,121
	<hr/>	<hr/>
	4,547	3,863
	<hr/>	<hr/>

9. Emoluments of Directors	1993	1992
	£'000	£'000
Directors emoluments including pension contributions by the company	494	506
	<hr/>	<hr/>

Directors emoluments excluding pension contributions:

The Chairman's emoluments are paid by Bowater plc and are reported in their Accounts.

Highest paid Director	112	109
-----------------------	-----	-----

Directors received emoluments within the ranges stated below:

Nil - 5,000	-	1
25,001 - 30,000	-	1
30,001 - 35,000	-	1
45,001 - 50,000	-	1
95,001 - 100,000	2	1
105,001 - 110,000	1	2
110,001 - 115,000	1	-

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)****10. Tangible Assets**

	Land and Buildings	Plant Machinery and Vehicles	Assets under Construc- tion	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
1st January 93	37,581	114,173	1,338	153,092
Additions	1,094	19,716	(3,408)	17,402
Disposals	(4,615)	(20,047)	-	(24,662)
Transfers	-	1,464	-	1,464
Acquisition of business	9,610	24,557	3,272	37,439
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1993	43,670	139,863	1,202	184,735
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1st January 1993	638	67,830	-	68,468
Charge for year	911	11,306	-	12,217
Disposals	(8)	(15,934)	-	(15,942)
Transfers	-	867	-	867
Acquisition of businesses	-	13,200	-	13,200
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1993	1,541	77,269	-	78,810
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Amounts:				
31st December 1993	42,129	62,594	1,202	105,925
31st December 1992	36,943	46,343	1,338	84,624

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)**

Net Book Amounts:	1993 £'000	1992 £'000
Freeholds	38,785	34,752
Long Leaseholds	1,377	300
Short Leaseholds	1,967	1,891
	<hr/>	<hr/>
	42,129	36,943
	<hr/>	<hr/>
Finance Lease - plant and machinery	10,429	12,077
	<hr/>	<hr/>
Revalued land and buildings at historic cost:		
Costs as at 31st December	19,328	23,903
	<hr/>	<hr/>
Accumulated depreciation as at 31st December	4,828	5,534
	<hr/>	<hr/>
Value of land not subject to depreciation:		
Cost as at 31st December	17,539	11,667
	<hr/>	<hr/>

Interest capitalised in net book value is £332,000 (1992: £90,000)

11. Investments

Investments in subsidiary undertakings:

Shares		
At 1st January	138,744	2,317
Acquisitions	12,692	136,427
Disposals	(318)	-
	<hr/>	<hr/>
At 31st December	151,118	138,744
	<hr/>	<hr/>

BOWATER PACKAGING LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)

The subsidiary undertakings at 31st December 1993 which, unless otherwise stated are wholly owned are as follows:

Bowater Containers North West Ltd
Bowater Containers North East Ltd
Bowater Containers Scotland Ltd
Bowater Containers South East Ltd
Bowater Containers South West Ltd
Bowater Containers (Heavy Duty) Ltd
Polyfabrik Ltd
Bowater PKL Ltd (70%)
Bowater Liquid Packaging Ltd
Bowater Polysystems Ltd
Bowater Foil and Paper Products Ltd
Bowater Drums Ltd
Bowater Bulk Packaging Ltd
John Dunhill & Co Ltd
Chapman Packaging Ltd
John Horn Ltd
McCorquodale Scotland Ltd
Causton Cartons Ltd
Bowater Labels Ltd
Viking Packaging Ltd
Sevon Holdings Ltd
Sevon Recycling Ltd
Ledbury Packaging Ltd
Camvac (Europe) Ltd
Harcostar Ltd
Welton Packaging Ltd
Mulox IBC Ltd
DRG Medical Packaging Ltd
DRG Medical Packaging Supplies Flexpak Ltd
DRG Medical Packaging Supplies Ltd
DRG Medical Packaging Supplies Malago Ltd
DRG Plastics Ltd
DRG Rexham Ltd
J Arthur Dixon Ltd
TBS Engineering Ltd
Ken Stokes Printing Ltd

All subsidiary undertakings are registered in England and Wales and are involved in the manufacture and sale of packaging materials and business stationery. Group accounts have not been prepared since the company is a subsidiary undertaking of a company established under the law of a member state of the European Community. Group accounts have been filed by the parent undertaking, Bowater plc.

The Directors are of the opinion that the aggregate value of its investments in subsidiary undertakings, which are stated at cost, is not less than the balance sheet amount.

ROWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)**

12. Stocks	1993	1992
	£'000	£'000
Raw materials	7,485	8,269
Work in progress	3,993	1,528
Finished products	8,260	7,898
Wholesaling and merchanting goods	2,279	1,282
	<hr/>	<hr/>
	22,017	18,977
	<hr/>	<hr/>
13. Debtors		
Amounts falling due within one year:		
Trade debtors	50,667	40,025
Amount due from fellow subsidiary undertakings	5,618	27,496
Amount due from subsidiary undertakings	2,732	5,795
Other debtors	2,984	3,723
Dividends from subsidiary undertakings	2,186	4,828
	<hr/>	<hr/>
	64,187	81,867
	<hr/>	<hr/>
14. Creditors		
Amounts falling due within one year		
Loan capital (note 16)	472	184,383
Bank loans and overdrafts	-	108
Obligations under finance leases (note 15)	1,701	2,278
Trade creditors	43,079	33,540
Amounts due to parent undertaking	-	1,952
Amount due to fellow subsidiary undertakings	2,175	1,223
Amount due to subsidiary undertakings	4,654	793
Taxation	1,791	1,982
Indirect taxation and social security	4,747	3,001
Fixed asset creditor	2,382	1,146
Other creditors	7,621	8,031
Dividends	12,477	23,821
	<hr/>	<hr/>
	81,099	262,258
	<hr/>	<hr/>

BOWATER PACKAGING LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)

	1993 £'000	1992 £'000
Amounts falling due after more than 1 year:		
Loan capital	97,000	-
Obligations under finance leases (note 15)	1,388	3,300
	<hr/>	<hr/>
	98,388	3,300
	<hr/>	<hr/>
15. Lease Obligations		
Obligations under finance leases are payable:		
Within 1 year	1,701	2,278
Between 2 and 5 years	1,388	3,300
	<hr/>	<hr/>
	3,089	5,578
	<hr/>	<hr/>
Operating lease rentals payable in 1994 relate to commitments expiring		
Land and Buildings:		
Within 1 year	6	182
Between 2 and 5 years	-	50
After 5 years	1,765	1,106
	<hr/>	<hr/>
	1,771	1,288
	<hr/>	<hr/>
Other:		
Within 1 year	64	237
Between 2 and 5 years	304	519
After 5 years	18	13
	<hr/>	<hr/>
	496	769
	<hr/>	<hr/>
16. Loan Capital		
Unsecured loans from parent undertaking, fellow subsidiary undertakings and subsidiary undertakings having no fixed rate of interest.		
Payable		
Within 1 year	472	184,383
Between 2 and 5 years	97,000	-
	<hr/>	<hr/>
	97,472	184,383
	<hr/>	<hr/>

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)**

17. Provisions for Liabilities and Charges	1993 £'000	1992 £'000
At 1st January	752	785
Provided	587	297
Utilised	(773)	(319)
Released	(83)	(11)
	<hr/>	<hr/>
At 31st December	483	752
Provisions comprise:	<hr/>	<hr/>
Costs on disposal or closure of operations	-	254
Re-organisation Costs	100	168
Other	383	330
	<hr/>	<hr/>
	483	752
	<hr/>	<hr/>

18. Deferred Tax

Provision for deferred tax

At 1st January	-	-
Acquired from subsidiary and fellow subsidiary undertakings	2,424	-
	<hr/>	<hr/>
At 31st December	2,424	-
	<hr/>	<hr/>

The full potential deferred tax liability calculated at the long term corporation tax rate of 33% is as follows:

Capital allowances in excess of depreciation	9,406	6,289
Short term timing differences	194	262
	<hr/>	<hr/>
	9,600	6,551
	<hr/>	<hr/>

No provision has been made for additional taxation which would accrue if revalued properties were to be disposed of, since it is not the intention to dispose of any of the properties at the present time.

BOWATER PACKAGING LIMITED**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)**

19. Share Capital	1993 £'000	1992 £'000
Ordinary shares of £1 each		
Authorised	10,000	10,000
	<hr/>	<hr/>
Called up and fully paid	8,833	6,780
	<hr/>	<hr/>

Details of the share capital issued are given in the Directors Report.

20. Share Premium		
At 1st January	-	-
Shares issued	121,146	-
	<hr/>	<hr/>
At 31st December	121,146	-
	<hr/>	<hr/>

21. Revaluation Reserve		
At 1st January	10,797	19,104
Movement	745	(8,034)
Transfer to profit and loss account reserve	(1,213)	(278)
	<hr/>	<hr/>
At 31st December	10,329	10,797
	<hr/>	<hr/>

The Directors, after taking independent professional advice, reviewed the value of properties surplus to requirements acquired from Viking Packaging at the beginning of the year. The review considered the value on an open market basis. A net gain of £745k resulted.

22. Profit and Loss Account		
At 1st January	57,524	52,421
Balance from Profit and Loss Account	(21,397)	4,749
Goodwill	-	81
Transfer from revaluation reserve	1,213	273
	<hr/>	<hr/>
At 31st December	37,340	57,524
	<hr/>	<hr/>

BOWATER PACKAGING LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31ST DECEMBER 1993 (cont'd)

23. Capital Expenditure Commitments	1993	1992
	£'000	£'000
For which contracts have been placed	2,674	929
	<hr/>	<hr/>
Authorised but not contracted	10,348	6,535
	<hr/>	<hr/>

24. Contingent Liabilities

As a member of the Bowater United Kingdom Group for VAT purposes, the company has joint and several liabilities for all amounts due to Customs and Excise under this arrangement.