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KAPPA PACKAGING (UK) PENSION SCHEMES LIMITED
(Formerly BUHRMANN-TETTERODE (UK) PENSION SCHEMES LIMITED)

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999**



KAPPA PACKAGING (UK) PENSION SCHEMES LIMITED

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CONTENTS

	Pages
Directors' Report	1 - 2
Auditors Report	3 - 4
Balance Sheet	5
Notes to the Financial Statements	6 - 7

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activities

No profit and loss account is presented as the company is not trading.

The principal activity of the company is to act as cashier for group company pension contributions.

Directors

The directors who served during the year were as follows:

P R van Dijk
M J Macpherson (Resigned 1 June 2000)
W M Brantjes
D I Husbands
E Beadle

Directors' interests

No director had any interest in the shares of the company during the year.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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 of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed and that financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'J. Ward', is written over the printed name.

J Ward

Company Secretary

Date: 31/10/00

PricewaterhouseCoopers

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Auditors' report to the members of Kappa Packaging (UK) Pension Schemes Limited

We have audited the financial statements on pages 5 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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.

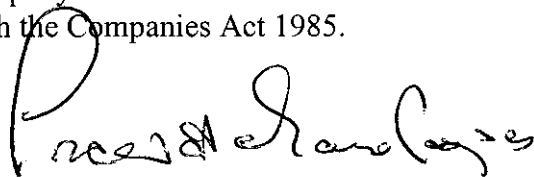
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6RH. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham

Date: 31 October 2000

BALANCE SHEET
AT 31 DECEMBER 1999

	Notes	1999 £	1998 £
Current assets			
Cash at bank and in hand		16901	45506
Creditors			
Amounts falling due within one year	4	(16901)	(45506)
		<hr/>	<hr/>
Net current assets		<hr/> -	<hr/> -
Capital and reserves			
Called up share capital	5	500	500
Profit and loss account	6	(500)	(500)
		<hr/>	<hr/>
Equity shareholders' funds		<hr/> - <hr/>	<hr/> - <hr/>

The financial statements on pages 5 to 7 were approved by the board of directors on
31st October 2000 and were signed on its behalf by:



D I Husbands
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999**

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

2 Directors' emoluments

The directors received no remuneration in the year (1998: £Nil).

3 Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was:

	1999 Number	1998 Number
Administration	5	6

4 Creditors; amounts falling due within one year

	1999 £	1998 £
Other creditors	16901	45506

5 Called up share capital

	1999 £	1998 £
Authorised		
5000 ordinary shares of £1 each	5000	5000
Allotted, called up and fully paid		
500 ordinary shares of £1 each	500	500

6 Profit and loss account

£

At 1 January 1999 and 31 December 1999

(500)

7 Related party transactions

The company has adopted the exemption allowed under FRS 8' Related Party Disclosures' to not disclose intergroup transactions on the basis that these transactions are included within the Kappa Packaging BV group consolidated accounts which are publicly available.

8 Ultimate parent company

The company is a subsidiary of Kappa Packaging UK Limited, a company incorporated in England and Wales.

The directors regard Kappa Packaging BV, a company registered in the Netherlands, as the ultimate parent company.

Copies of the ultimate parent company's consolidated accounts may be obtained from Kappa Packaging BV, PO Box 5216, 1410 AE Naarden, The Netherlands.

The name of the company was changed on 7 September 1999 to emphasise its relationship with the parent company.