

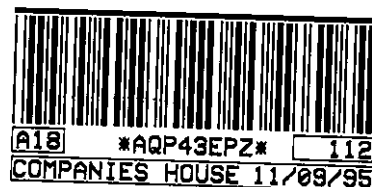
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## **S K Fey & Son Limited**

### **Directors' report and financial statements**

**31 December 1994**

Registered number 795161



# S K Fey & Son Limited

## Directors' report and financial statements

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# S K Fey & Son Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

### Principal activities

The principal activities of the company are the production and sale of printed packaging for the pharmaceutical industry and fine colour printers.

### Business review

The performance of the company during the year and its position at the year end are reflected in the attached financial statements.

### Proposed dividend and transfer to reserves

The directors recommend that a final ordinary dividend of £1,300,000 be paid making, with the interim of £600,000 a total of £1,900,000 for the year.

After deducting the total ordinary dividends, the loss for the year is £406,654 (*1993:profit £305,423*).

### Fixed assets

The changes in fixed assets during the year are summarised in note 8 to the financial statements.

### Directors and directors' interests

The directors who held office during the year and since the year end were as follows:

AJ Fey	
JW Pomfret	
JL Markey	
EJ Allen	(resigned 16 January 1995)
VF McGuire	(resigned 16 January 1995)
JA Monks	(appointed 16 January 1995)
CA Bruce	(appointed 16 January 1995)
R Brown	(appointed 13 February 1995)

The interests of AJ Fey, JW Pomfret and JL Markey in the ordinary share capital of PropharmaPak Ltd (the UK parent undertaking) as set out in the financial statements of that company.

Mr EJ Allen and Mr VF McGuire have an interest in the share capital of the company's former ultimate parent undertaking, which is incorporated in The Republic of Ireland, details of which are disclosed in that company's accounts. The former ultimate parent undertaking provided management services to the company for which it was reimbursed its expenses.

No other director had a material interest in any contract with any member of the group at any time during the year.

# S K Fey & Son Limited

## Directors' report

### Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

By order of the board



CA Bruce  
*Secretary*

Windlebrook House  
Guildford Road  
Bagshot  
Surrey  
GU19 5NG

19th June 1995

# S K Fey & Son Limited

## Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements 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 for that period. In preparing those financial statements, 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 financial statements;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They 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.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Auditors' report to the members of S K Fey & Son Limited

We have audited the financial statements on pages 5 to 14.

### *Respective responsibilities of directors and auditors*

As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 the Company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG  
Chartered Accountants  
Registered Auditors

12 July 1995

# S K Fey & Son Limited

## Profit and loss account for the year ended 31 December 1994

	<i>Note</i>	1994 £	1993 £
Turnover		8,366,648	8,105,114
Cost of sales		(4,776,089)	(4,552,531)
<b>Gross profit</b>		<b>3,590,559</b>	<b>3,552,583</b>
Distribution costs		(430,250)	(426,589)
Administrative expenses		(1,012,549)	(1,192,438)
<b>Operating profit</b>		<b>2,147,760</b>	<b>1,933,556</b>
Interest receivable		15,641	37,657
Interest payable and similar charges	5	(1,794)	(1,977)
<b>Profit on ordinary activities before tax</b>	2	<b>2,161,607</b>	<b>1,969,236</b>
Tax on profit on ordinary activities	6	(668,261)	(663,813)
<b>Profit on ordinary activities after tax</b>		<b>1,493,346</b>	<b>1,305,423</b>
Dividend	7	(1,900,000)	(1,000,000)
<b>(Loss)/profit for the financial year</b>		<b>(406,654)</b>	<b>305,423</b>
Retained profit brought forward		1,919,445	1,614,022
<b>Retained profit carried forward</b>		<b>1,512,791</b>	<b>1,919,445</b>

The company has no recognised gains or losses other than the profit for the financial year. Accordingly, a statement of total recognised gains and losses has not been prepared.

A note on historical cost profits and losses has not been included as part of these financial statements as there is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The results for the year are entirely from continuing operations.

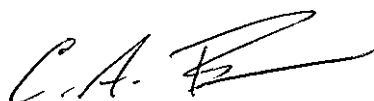
# S K Fey & Son Limited

## Balance sheet at 31 December 1994

	Note	1994	1993
		£	£
<b>Fixed assets</b>			
Tangible assets	8	909,438	1,016,498
<b>Current assets</b>			
Stocks	9	297,667	387,638
Debtors	10	4,892,267	3,936,668
Cash at bank and in hand		690,424	129,466
		<u>5,880,358</u>	<u>4,453,772</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,687,980)</u>	<u>(3,008,783)</u>
<b>Net current assets</b>		<u>1,192,378</u>	<u>1,444,989</u>
<b>Total assets less current liabilities</b>		<u>2,101,816</u>	<u>2,461,487</u>
<b>Provisions for liabilities and charges</b>	12	<u>(130,025)</u>	<u>(83,042)</u>
<b>Net assets</b>		<u>1,971,791</u>	<u>2,378,445</u>
<b>Capital and reserves</b>			
Called up share capital	16	459,000	459,000
Profit and loss account		<u>1,512,791</u>	<u>1,919,445</u>
<b>Shareholders' funds</b>	17	<u>1,971,791</u>	<u>2,378,445</u>

These financial statements were approved by the board of directors on  
on its behalf by:

19th June 1995 and were signed



CA Bruce  
Director



# S K Fey & Son Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement to prepare a cash flow statement since it is a wholly owned subsidiary of PropharmaPak Limited, and its cash flows are included within the consolidated cash flow statement of that company.

#### *Fixed assets and depreciation*

Depreciation is provided on cost in equal instalments over the estimated useful economic lives of the assets. The rates of depreciation are as follows:

Plant, machinery and		
office equipment	-	10 - 15% per annum
Motor vehicles	-	20% per annum

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

#### *Deferred tax*

Deferred tax is only provided in respect of timing differences to the extent that it is expected that a liability or asset may arise in the foreseeable future.

#### *Operating leases*

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases.

#### *Pension costs*

Retirement benefits to employees of the company are provided by a defined contribution scheme. The assets of the scheme are held separately from those of the company, being invested with insurance companies. The company's contributions are charged to the profit and loss account in the year in which the contributions are payable.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to third party customers during the year. The turnover and profit on ordinary activities fully derives from continuing operations.

# S K Fey & Son Limited

## Notes (continued)

### 2 Profit on ordinary activities before tax

	1994 £	1993 £
<i>Profit on ordinary activities before tax is stated after charging</i>		
Auditors' remuneration:		
Audit	9,200	10,200
Other services	-	1,000
Depreciation on tangible fixed assets:		
Owned	241,677	273,056
Operating lease rentals		
Other	10,392	7,106
Land and buildings	500,000	500,000
Loss on sale of fixed assets	5,578	9,066

### 3 Remuneration of directors

	1994 £	1993 £
Directors' emoluments:		
Salaries	182,673	209,657
Other emoluments	48,043	38,345
	<u>230,716</u>	<u>248,002</u>

The emoluments excluding pension contributions of the highest paid director were £92,254 (1993: £104,442). The emoluments of the chairman were £nil (1993: £nil).

The emoluments, excluding pension contributions, of the directors (including the highest paid directors) were within the following ranges:

	Number of directors	
	1994	1993
£0 - £ 5,000	2	2
£55,001 - £60,000	1	1
£65,001 - £70,000	1	1
£90,001 - £95,000	1	-
£100,001 - £105,000	-	1

# S K Fey & Son Limited

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1994	1993
Office and management	11	21
Sales and production	84	79
	<u>95</u>	<u>100</u>

The aggregate payroll costs of these persons were as follows:

	1994	1993
	£	£
Wages and salaries	2,002,790	1,993,035
Social security costs	202,377	202,639
Other pension costs	14,721	12,192
	<u>2,219,888</u>	<u>2,207,866</u>

### 5 Interest payable and similar charges

	1994	1993
	£	£
Bank interest and charges	<u>1,794</u>	<u>1,977</u>

# S K Fey & Son Limited

## Notes (continued)

### 6 Tax on profit on ordinary activities

	1994 £	1993 £
UK corporation tax at 33% (1993:33%) on the profit for the year on ordinary activities	632,571	665,287
(Over)/under provision in previous year	(11,293)	28,220
Deferred tax (note 12)	46,983	(29,694)
	<u>668,261</u>	<u>663,813</u>

### 7 Dividends

	1994 £	1993 £
Ordinary shares:		
Interim	600,000	1,000,000
Final (proposed)	1,300,000	-
	<u>1,900,000</u>	<u>1,000,000</u>

# S K Fey & Son Limited

## Notes (continued)

### 8 Tangible fixed assets

	Plant machinery and office equipment £	Motor vehicles £	Total £
<i>Cost</i>			
At 31 December 1993	2,899,121	311,258	3,210,379
Additions	55,611	132,351	187,962
Disposals	-	(126,627)	(126,627)
	<hr/>	<hr/>	<hr/>
At 31 December 1994	2,954,732	316,982	3,271,714
	<hr/>	<hr/>	<hr/>
<i>Depreciation and diminution in value</i>			
At 31 December 1993	2,077,200	116,681	2,193,881
Charge for year	182,796	58,881	241,677
On disposals	-	(73,282)	(73,282)
	<hr/>	<hr/>	<hr/>
At 31 December 1994	2,259,996	102,280	2,362,276
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 1994	694,736	214,702	909,438
	<hr/>	<hr/>	<hr/>
At 31 December 1993	821,921	194,577	1,016,498
	<hr/>	<hr/>	<hr/>

### 9 Stocks

	1994 £	1993 £
Raw materials and consumables	108,023	140,911
Work in progress	89,976	80,428
Finished goods and goods for resale	99,668	166,299
	<hr/>	<hr/>
	297,667	387,638
	<hr/>	<hr/>

# S K Fey & Son Limited

## Notes (continued)

### 10 Debtors

	1994 Due within one year £	1993 Due within one year £
Trade debtors	824,020	749,754
Amounts owed by group undertakings	3,912,207	3,154,704
Prepayments and accrued income	156,040	32,210
	<u>4,892,267</u>	<u>3,936,668</u>

### 11 Creditors: amounts falling due within one year

	1994 £	1993 £
Trade creditors	427,896	446,757
Amounts owed to group undertakings	3,341,147	1,245,299
Other creditors including tax and social security:		
Corporation tax	631,665	1,007,041
Other creditors	75,191	73,698
	<u>706,856</u>	<u>1,080,739</u>
Accruals and deferred income	212,081	235,988
	<u>4,687,980</u>	<u>3,008,783</u>

# S K Fey & Son Limited

## Notes (continued)

### 12 Provisions for liabilities and charges

	Deferred tax £
At 31 December 1993	83,042
Charge for the year in the profit and loss account (note 6)	46,983
At 31 December 1994	<u>130,025</u>

The amounts provided for deferred tax and full potential liability are set out below:

	1994		1993	
	Provided	Full potential liability	Provided	Full potential liability
	£	£	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>130,025</u>	<u>130,025</u>	<u>83,042</u>	<u>109,230</u>

### 13 Contingent liability

The assets of the company have been charged as security in favour of group borrowings.

### 14 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	1994		1993	
	Leasehold property	Other	Leasehold property	Other
	£	£	£	£
Operating leases which expire:				
Within one year	-	3,865	-	2,853
In the second to fifth years inclusive	-	370	-	4,523
Over five years	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
	<u>500,000</u>	<u>4,235</u>	<u>500,000</u>	<u>7,376</u>

# S K Fey & Son Limited

## Notes (continued)

### 15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £14,721 (1993: £12,192).

Contributions amounting to £3,155 (1993: £nil) were prepaid and included in debtors.

### 16 Called up share capital

	1994 £	1993 £
<i>Authorised, allotted, called up and fully paid</i>		
459,000 Ordinary shares of £1 each	<u>459,000</u>	<u>459,000</u>

### 17 Reconciliation of movement in shareholders funds

	1994 £	1993 £
Profit for the year	1,493,346	1,305,423
Dividends	<u>(1,900,000)</u>	<u>(1,000,000)</u>
Net movement in shareholders' funds	(406,654)	305,423
Opening shareholders' funds	<u>2,378,445</u>	<u>2,073,022</u>
At 31 December 1994	<u>1,971,791</u>	<u>2,378,445</u>

### 18 Ultimate parent company

At 31 December 1994 the company's ultimate holding company was Allen McGuire & Partners Limited which is incorporated in The Republic of Ireland.

The company is a subsidiary undertaking of Eagle Press Holdings Limited, a company registered in England and Wales and the smallest group in which the results are consolidated is that headed by PropharmaPak Limited. These consolidated accounts are available to the public and may be obtained from the Registrar of Companies, Companies House, Cardiff CF4 3UZ