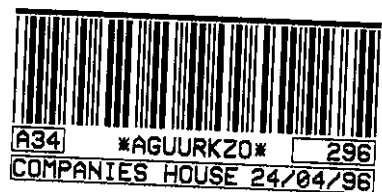


FIL International Limited

Directors' report and financial statements

31 December 1995

Registered number 1935353



FIL International Limited

Directors' report and financial statements

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FIL International Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activity

The principal activity of the company has been the sale in North America of cigarette filters produced by and purchased from Filtrona Limited.

Business review

The results for the year are set out on page 5.

There have been no significant events since the end of the year.

Directors and directors' interests

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

BG Ace
JG Dobbin
TL Dixon
OG Burns
DK Webster

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The following directors had interests in the shares of Bunzl plc, the ultimate holding company, as recorded in the register of directors' share interests, as follows:

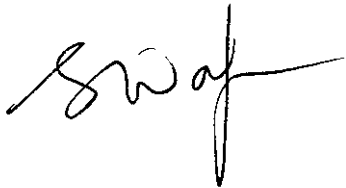
	Ordinary shares	Number of shares at 31 December 1995	Number of shares at 1 January 1995
BG Ace	25p	60	60
DK Webster	25p	7,692	7,512
JG Dobbin	25p	2,882	1,781

FIL International Limited

Directors' report

Directors and directors' interests *(continued)*

During the year options in respect of ordinary shares in Bunzl plc were granted to BG Ace (7,340 shares), OG Burns (13,000 shares), TL Dixon (26,000 shares), JG Dobbin (13,978 shares) and DK Webster (28,446 shares). Options in respect of ordinary shares in Bunzl plc were exercised by BG Ace (15,882 shares), JG Dobbin (15,058 shares) TL Dixon (96,220 shares) and DK Webster (54,145 shares). These figures include options under Bunzl plc's savings related share option scheme.



Secretary

110 Park Street
London
W1Y 3RB

3rd April 1996

FIL International Limited

Statement of directors' responsibilities

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 these 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 a 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.



Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

Auditors' report to the members of FIL International Limited

We have audited the financial statements on pages 5 to 9.

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 these 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 have 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 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

12 April 1996

FIL International Limited

Profit and loss account for the year ended 31 December 1995

	<i>Note</i>	1995 £	1994 £
Turnover - continuing operations	<i>1</i>	20,806,851	15,810,838
Purchases from group undertaking		(20,796,851)	(15,800,838)
Other operating charges		(10,000)	(10,000)
		<hr/>	<hr/>
Result for the financial year	<i>2-4</i>	-	-
Profit and loss account brought forward		-	-
		<hr/>	<hr/>
Profit and loss account carried forward		-	-
		<hr/>	<hr/>

During both the current and preceeding year the company has no recognised gains or losses other than those included in the profit and loss account. In both years the results of the company arose entirely from continuing operations.

FIL International Limited

Balance sheet at 31 December 1995

	Note	1995 £	1994 £
Current assets			
Debtors	5	(1,807,259)	930,911
Creditors: amounts falling due within one year	6	(1,807,159)	(930,811)
Net current assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		-	-
Shareholders' funds - equity	8	<u>100</u>	<u>100</u>

These financial statements were approved by the board of directors on 3rd April 1996 and were signed on its behalf by:



B.G. ACE
Director

FIL International 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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Cash flow statement

The company is exempt under the provisions of Financial Reporting Statement No 1 from the requirement to prepare a separate cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking of a company registered in the EC which incorporates the cash flow statements of FIL International Limited in its consolidated cash flow statement.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise in the foreseeable future.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the year and arises as a result of the company's principal business activity. All the sales during the year were made to North America.

FIL International Limited

Notes (continued)

2 Result for the financial year

	1995 £	1994 £
<i>Result for the financial year is stated after charging</i>		
Auditors' remuneration - audit	800	800

3 Remuneration of directors

None of the directors received any remuneration from the company during the current and preceeding years.

4 Staff numbers and costs

The company had no direct employees during the year and incurred staff costs of £nil (1994: £nil).

5 Debtors

	1995 £	1994 £
Trade debtors	1,807,159	930,811
Called up share capital not paid	100	100
	<u>1,807,259</u>	<u>930,911</u>

All the above amounts are due within one year.

6 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts owed to fellow subsidiary undertakings	<u>1,807,159</u>	<u>930,811</u>

7 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

FIL International Limited

Notes (continued)

8 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening and closing shareholders' funds	<u>100</u>	<u>100</u>

9 Contingent liabilities

As part of a Group banking arrangement the company has given guarantees to its bankers in respect of the liabilities of its holding company and certain fellow subsidiaries and has received counter guarantees from them.

10 Ultimate parent undertaking

The company is a wholly-owned subsidiary undertaking of Filtrona International Limited, a company registered in England and Wales.

Filtrona International Limited is itself a wholly-owned subsidiary undertaking of Bunzl plc, a company registered in England and Wales.

Copies of the group financial statements of Bunzl plc may be obtained from the registered office of Bunzl plc, 110 Park Street, London, W1Y 3RB.