

**HARRISON EUROPAC LIMITED**  
**Annual report**  
**for the year ended 31 December 2005**

**Registered Number 2291152**



# HARRISON EUROPAC LIMITED

## Annual report

for the year ended 31 December 2005

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# HARRISON EUROPAC LIMITED

## Directors' report for the year ended 31 December 2005

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

### Review of business and future developments

The principal activity of the company has been the marketing and sale of packaging materials and products.

The directors are satisfied with the results for the year and anticipate that this will continue for the foreseeable future.

### Results and dividends

The profit for the year after taxation amounted to £355,295 (2004: £449,599). The directors have recommended the payment of a dividend of £355,295 (2004: £449,599). The amount paid in respect of dividends during the year was £449,599 (2004: £435,893). The retained loss for the year is £94,304 (restated 2004: £13,706).

### Directors

The directors who served during the year under review were as follows:

J Iannidinardo  
J Bornstein

### Directors' interest

The directors have interests which are required to be recorded in the register maintained by the company under Section 325 of the Companies Act 195, as follows:

	Ordinary shares of £1 each	
	31 December 2005	31 December 2004
J Iannidinardo	15,000	15,000

# HARRISON EUROPAC 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 as at the end of the financial year and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

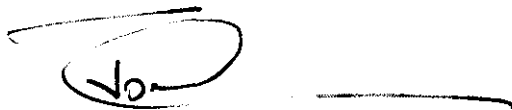
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditors

The independent auditors of Harrison Europac Limited are PricewaterhouseCoopers LLP, who will be proposed for reappointment.

## By order of the Board



Secretary

# **HARRISON EUROPAC LIMITED**

## **Directors and advisors for the year ended 31 December 2005**

### **Directors**

J Iannidinardo  
J Bornstein

### **Secretary**

J Iannidinardo

### **Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### **Registered Office**

Stayton House  
93 Stayton Road  
Surrey  
SM1 2PS

### **Registered Number**

2291152

# **Independent auditors' report to the members of HARRISON EUROPAC LIMITED**

We have audited the financial statements of Harrison Europac Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the statement of recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Companies Act 1985. 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

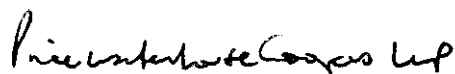
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
London

12 May 2006

# HARRISON EUROPAC LIMITED

## Profit and loss account for the year ended 31 December 2005

	Notes	2005	2004 (Restated)
		£	£
<b>Turnover</b>	2	<b>1,662,866</b>	1,993,940
Cost of sales		<b>(98,512)</b>	(270,671)
<b>Gross profit</b>		<b>1,564,354</b>	1,723,269
Administrative expenses		<b>(1,063,933)</b>	(1,086,572)
Other operating income		<b>14,992</b>	14,992
<b>Operating profit</b>		<b>515,413</b>	651,689
Interest receivable		<b>4,048</b>	4,066
Interest payable and similar charges	5	<b>(1,329)</b>	(2,855)
<b>Profit on ordinary activities before taxation</b>	6	<b>518,132</b>	652,900
Tax on profit on ordinary activities	7	<b>(162,837)</b>	(203,301)
<b>Profit for the financial year</b>		<b>355,295</b>	449,599
Dividends paid	8	<b>(449,599)</b>	(435,893)
<b>Retained (loss)/profit for the year</b>	14	<b>(94,304)</b>	13,706

The above results relate to the continuing activities of the company.

## Statement of total recognised gains and losses for the year ended 31 December 2005

		2005	2004 (Restated)
		£	£
Profit/(loss) for the financial year	15	<b>(94,303)</b>	13,706
Gains arising since date of prior year financial statements – prior year adjustment (see note 1)	15	<b>13,706</b>	-
<b>Total recognised (losses)/gains for the year</b>		<b>(80,597)</b>	13,706

# HARRISON EUROPAC LIMITED

## Balance sheet as at 31 December 2005

	Notes	2005 £	2004 (Restated) £
<b>Fixed assets</b>			
Tangible assets	9	143,870	110,289
Investment	10	20,000	20,000
		<u>163,870</u>	<u>130,289</u>
<b>Current assets</b>			
Stock		198	10,609
Debtors receivable within one year	11	442,271	497,823
Cash at bank and in hand		57,030	253,063
		<u>499,499</u>	<u>761,495</u>
Creditors: amounts falling due within one year	12	(196,544)	(330,655)
<b>Net current assets</b>		<u>302,955</u>	<u>430,840</u>
<b>Total assets less current liabilities</b>		<u>466,825</u>	<u>561,129</u>
<b>Net assets</b>		<u>466,825</u>	<u>561,129</u>
<b>Capital reserves</b>			
Called up share capital	13	75,000	75,000
Profit and loss account	14	382,648	476,952
Capital reserve account	14	9,177	9,177
<b>Equity shareholders' funds</b>	15	<u>466,825</u>	<u>561,129</u>

The financial statements on pages 5 to 14 were approved by the Board on  
and were signed on its behalf by:

12/05/06



**J Iannidinardo**  
Director



# HARRISON EUROPAC LIMITED

## Notes to the financial statements for the year ended 31 December 2005

### 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.

#### Change in accounting policy

During the year the company adopted FRS 21 'Events after the balance sheet date' applicable for accounting periods beginning on or after 1 January 2005. As a result dividends declared after the balance sheet date are not recorded as liabilities. The 2004 financial statements have been restated from the amounts previously reported to conform to this change. The effect on the 2004 financial statements is as follows:

	As previously reported	As restated
Dividend charge	449,599	435,893
Net assets	111,530	561,129
Retained profit	-	13,706

#### Basis of consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements on the basis that its results and balance sheet are included in the consolidated accounts of *Faerch Holdings A/S*, the parent undertaking.

#### Depreciation

Fixed assets are written off on a straight line basis over the estimated useful lives. The following annual rates of depreciation have been used:

Leasehold improvements	33%
Fixtures and fittings	25%
Computer equipment	25%
Motor vehicles	25%

#### Leases

Rental charges under operating leases are charged to the profit and loss account during the year in which they are incurred.

#### Stock

Stock represents finished goods and is recorded at the lower of cost and net realisable value.

#### Foreign currencies

Liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. Differences arising are dealt with as part of the trading result for the year.

# HARRISON EUROPAC LIMITED

## Deferred taxation

Deferred taxation arises as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. The deferred tax liability, that is the result of timing differences, is recognised in full. Deferred tax assets are only recognised to the extent that, on the basis of all available evidence, they are recoverable. Deferred tax assets and liabilities recognised are not discounted.

## Turnover

Turnover represents commissions and fees receivable on sales made during the period, net of value added tax.

## Pension costs

The company operates a defined contribution scheme for some of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Payments made to defined contribution pension schemes are charged to the profit and loss account as they fall due.

## Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

## 2 Turnover

The turnover, profit and net assets of the group before taxation are attributable to the principal activity of the company, undertaken in the United Kingdom, namely the marketing and sale of packaging material and products. An analysis of the turnover by geographical market is given below:

	2005 £	2004 £
United Kingdom	1,646,766	1,981,681
Republic of Ireland	16,100	12,259
	<u>1,662,866</u>	<u>1,993,940</u>

## 3 Employee information

	2005 Number	2004 Number
By activity:		
Sales	15	14
Administration	3	3
	<u>18</u>	<u>17</u>

	2005 £	2004 £
Wages and salaries	559,527	589,500
Social security costs	68,071	68,804
Pension costs	55,472	54,451
	<u>683,070</u>	<u>712,755</u>

# HARRISON EUROPAC LIMITED

## 4 Directors' emoluments

	2005 £	2004 £
Aggregate emoluments	88,364	89,805
Company contributions paid to money purchase schemes in respect of one director (2004: one)	22,519	22,519
	<u>110,883</u>	<u>112,324</u>

## 5 Interest payable and similar charges

	2005 £	2004 £
Bank interest	1,329	2,855
	<u>1,329</u>	<u>2,855</u>

## 6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging/(crediting) the following:

	2005 £	2004 £
Depreciation on owned tangible fixed assets	62,833	56,708
(Profit) on disposal of fixed assets	(13,073)	-
Auditors' remuneration	13,500	12,750
Operating lease payments - land and buildings	36,000	36,000

Auditors' fees in respect of non-audit services amounted to £6,000 (2004: £9,200) for the year. This related to the provision of taxation, company secretarial and other services.

# HARRISON EUROPAC LIMITED

## 7 Tax on profit on ordinary activities

### (a) Analysis of charge in the year

	2005 £	2004 £
<i>Current tax:</i>		
United Kingdom corporation tax at 30% (2004: 30%) on profits of the year	166,353	207,936
Adjustments in respect of previous year	(172)	834
	<u>166,181</u>	<u>208,770</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(4,591)	(5,469)
Adjustments in respect of previous year	1,247	-
	<u>162,837</u>	<u>203,301</u>
Tax on profit on ordinary activities		

### (b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30 %). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	518,133	652,900
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	155,440	195,870
<i>Effects of:</i>		
Expenses not deductible for tax purposes	5,441	7,989
Depreciation in excess of capital allowances	5,472	4,077
Adjustment to tax charge in respect of previous year	(172)	834
	<u>166,181</u>	<u>208,770</u>
Current tax charge for the period (note 7(a))		

## 8 Dividends

	2005 £	2004 (Restated) £
Final paid: £5.99 per share (2004: £5.81)	<u>449,599</u>	<u>435,893</u>

# HARRISON EUROPAC LIMITED

## 9 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 January 2005	33,520	63,563	51,750	198,861	347,694
Additions	-	814	14,659	94,793	110,266
Disposals	-	-	-	(85,930)	(85,930)
<b>At 31 December 2005</b>	<b>33,520</b>	<b>64,377</b>	<b>66,409</b>	<b>207,724</b>	<b>372,030</b>
<b>Accumulated depreciation</b>					
At 1 January 2005	31,442	54,912	34,435	116,616	237,405
Charge for year	1,387	3,921	10,240	47,285	62,833
Disposals	-	-	-	(72,077)	(72,077)
<b>At 31 December 2005</b>	<b>32,829</b>	<b>58,833</b>	<b>44,675</b>	<b>91,824</b>	<b>228,161</b>
<b>Net book value</b>					
<b>At 31 December 2005</b>	<b>691</b>	<b>5,544</b>	<b>21,734</b>	<b>115,900</b>	<b>143,869</b>
At 31 December 2004	2,078	8,651	17,315	82,245	110,289

## 10 Fixed asset investment

	2005 £	2004 £
<b>Cost</b>		
At 1 January 2005 and 31 December 2005	<b>20,000</b>	<b>20,000</b>

The investment of £20,000 represents a 100% interest in the issued £1 ordinary share capital of R Faerch Packaging Limited, a company registered in England. R Faerch Packaging Limited did not trade during 2004 or 2005. The capital and reserves at 31 December 2005 were £20,000 (2004: £20,000).

# HARRISON EUROPAC LIMITED

## 11 Debtors

	2005 £	2004 £
Amounts falling due within one year		
Trade debtors	86,197	97,582
Amount due from parent undertaking	316,216	362,999
Other debtors	528	527
Prepayments and accrued income	18,318	19,047
Deferred tax	21,012	17,668
	<u>442,271</u>	<u>497,823</u>

## 12 Creditors: amounts due within one year

	2005 £	2004 (Restated) £
Trade creditors	19,502	112,777
Amounts due to subsidiary undertaking	20,000	20,000
Corporation tax	79,948	93,535
Other taxation and social security costs	34,601	61,892
Accruals and deferred income	42,493	42,451
	<u>196,544</u>	<u>330,655</u>

## 13 Called up share capital

	2005 £	2004 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
75,000 ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

# HARRISON EUROPAC LIMITED

## 14 Reserves

(Restated)	Profit and loss account £	Capital reserve £
At 1 January 2005	476,952	9,177
Retained profit for the year	(94,304)	-
<b>At 31 December 2005</b>	<b><u>382,648</u></b>	<b><u>9,177</u></b>

## 15 Reconciliation of movements in shareholders' funds

	2005 £	2004 (Restated) £
Opening shareholders' funds as previously stated	-	111,530
Prior year adjustment (Note 1)	-	435,893
Opening shareholders' funds (as restated)	<b><u>561,129</u></b>	<b><u>547,423</u></b>
(Loss)/profit for the financial year	<b><u>(94,304)</u></b>	<b><u>13,706</u></b>
<b>Closing shareholders' funds</b>	<b><u>466,825</u></b>	<b><u>561,129</u></b>

## 16 Financial commitments

### (a) Capital commitments

At the year end there were no capital commitments.

### (b) Pension scheme arrangements

The company makes payments into a defined contribution pension scheme on behalf of employees. The pension costs charged in the year amounted to £55,472 (2004: £50,579).

# HARRISON EUROPAC LIMITED

## (c) Operating lease commitments

The company is committed to annual payments under operating leases in respect of land and buildings expiring as follows:

	Land and buildings	
	2005	2004
	£	£
Within one year	36,000	-
Expiring between two to five years	-	36,000
	<u>36,000</u>	<u>36,000</u>

## 17 Related parties

Harrison Europac primarily acts as the United Kingdom marketing and sales agent for Faerch Plast A/S which is regarded by the directors as the immediate parent company. During the year the company earned commission of £1,450,223 (2004: £1,570,829) in relation to sales of product made by its parent company.

Set out in note 11 and 12 are the amounts due from the parent company and amounts due to the ultimate parent undertaking, respectively.

## 18 Ultimate and immediate parent company

The directors regard Faerch Holding A/S, a company incorporated in Denmark, as the ultimate parent undertaking.

The consolidated accounts of Faerch Holding A/S are available from Faerch Holding A/S, Lille Oestergade 8A, 7500 Holstebro, Denmark.