

HARRISON EUROPAC LIMITED
Annual report
for the year ended 31 December 2006

Registered Number 2291152

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HARRISON EUROPAC LIMITED
Annual report
for the year ended 31 December 2006
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HARRISON EUROPAC LIMITED

Directors and advisors for the year ended 31 December 2006

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

HARRISON EUROPAC LIMITED

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements of the company for the year ended 31 December 2006.

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 £400,570 (2005. £355,295) The directors have recommended the payment of a dividend of £400,570 (2005 £355,295). The amount paid in respect of dividends during the year was £355,295 (2005 £449,599) The retained profit for the year is £45,275 (2005 £94,304)

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 2006	31 December 2005
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

In accordance with the provisions of the Companies Act 1985, each of the Company's Directors in office as at the date of this report confirms that so far as each Director is aware, there is no relevant audit information in connection with preparing their report of which the Company's auditors are unaware and he has taken all steps which he ought to have taken as a Directors in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

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

By order of the Board

Secretary



15 January 2007

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 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2006 and of its profit for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

15-3-2007

HARRISON EUROPAC LIMITED

Profit and loss account for the year ended 31 December 2006

	Notes	2006 £	2005 £
Turnover	2	1,610,401	1,662,866
Cost of sales		<u>(7,842)</u>	<u>(98,512)</u>
Gross profit		1,602,559	1,564,354
Administrative expenses		<u>(1,039,590)</u>	<u>(1,063,933)</u>
Other operating income		<u>14,992</u>	<u>14,992</u>
Operating profit		580,268	515,413
Interest receivable		3,721	4,048
Interest payable and similar charges	5	<u>(562)</u>	<u>(1,329)</u>
Profit on ordinary activities before taxation	6	581,120	518,132
Tax on profit on ordinary activities	7	<u>(180,550)</u>	<u>(162,837)</u>
Profit for the financial year		<u>400,570</u>	<u>355,295</u>

The above results relate to the continuing activities of the company

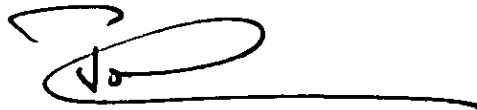
HARRISON EUROPAC LIMITED

Balance sheet as at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	9	98,746	143,870
Investment	10	<u>20,000</u>	<u>20,000</u>
		118,746	163,870
Current assets			
Stock		198	198
Debtors receivable within one year	11	406,717	442,271
Cash at bank and in hand		<u>195,817</u>	<u>57,030</u>
		602,732	499,499
Creditors amounts falling due within one year	12	<u>(209,378)</u>	<u>(196,544)</u>
Net current assets		393,354	302,955
Total assets less current liabilities		512,100	466,825
Net assets		512,100	466,825
Capital reserves			
Called up share capital	13	75,000	75,000
Profit and loss account	14	427,923	382,648
Capital reserve account	14	<u>9,177</u>	<u>9,177</u>
Equity shareholders' funds	15	512,100	466,825

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

01/03/07



J Iannidinaro
Director

HARRISON EUROPAC LIMITED

Notes to the financial statements for the year ended 31 December 2006

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.

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.

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.

HARRISON EUROPAC LIMITED

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:

	2006 £	2005 £
United Kingdom	1,582,410	1,646,766
Republic of Ireland	27,991	16,100
	<u>1,610,401</u>	<u>1,662,866</u>

3 Employee information

	2006 Number	2005 Number
By activity:		
Sales	13	15
Administration	3	3
	<u>16</u>	<u>18</u>

	2006 £	2005 £
Wages and salaries	556,121	559,527
Social security costs	67,989	68,071
Pension costs	55,804	55,472
	<u>679,914</u>	<u>683,070</u>

4 Directors' emoluments

	2006 £	2005 £
Aggregate emoluments	98,722	88,364
Company contributions paid to money purchase schemes in respect of one director (2005 one)	22,519	22,519
	<u>121,241</u>	<u>110,883</u>

5 Interest payable and similar charges

	2006 £	2005 £
Bank interest	562	1,329
	<u>562</u>	<u>1,329</u>

HARRISON EUROPAC LIMITED

6 Profit on ordinary activities before taxation

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

	2006 £	2005 £
Depreciation on owned tangible fixed assets	62,170	62,833
(Profit) on disposal of fixed assets	(14,548)	(13,073)
Auditors' remuneration	14,250	13,500
Operating lease payments		
- land and buildings	36,000	36,000

Auditors' fees in respect of non-audit services amounted to £3,085 (2005: £6,000) for the year. This related to the provision of taxation, company secretarial and other services

7 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
<i>Current tax.</i>		
United Kingdom corporation tax at 30% (2005 30%) on profits of the year	186,069	166,353
Adjustments in respect of previous year	(11,541)	(172)
	<u>174,528</u>	<u>166,181</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(4,070)	(4,591)
Adjustments in respect of previous year	10,092	1,247
	<u>180,550</u>	<u>162,837</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:

	2006 £	2005 £
Profit on ordinary activities before tax	581,120	518,133
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	174,336	155,440
<i>Effects of:</i>		
Expenses not deductible for tax purposes	7,663	5,441
Depreciation in excess of capital allowances	4,070	5,472
Adjustment to tax charge in respect of previous year	(11,541)	(172)
	<u>174,527</u>	<u>166,181</u>
Current tax charge for the period (note 7(a))		

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8 Dividends

	2006 £	2005 £
Final paid: £4.73 per share (2005 £5 99)	<u>355,295</u>	<u>449,599</u>

A final dividend of £400,570 has been proposed for the 2006 year, to be paid in 2007

9 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2006	33,520	64,376	66,408	207,724	372,028
Additions	-	7,443	752	26,365	34,560
Disposals	-	-	-	(76,861)	(76,861)
At 31 December 2006	<u>33,250</u>	<u>71,819</u>	<u>67,160</u>	<u>157,228</u>	<u>329,727</u>
Accumulated depreciation					
At 1 January 2006	32,828	58,833	44,674	91,821	228,157
Charge for year	692	5,061	11,221	45,196	62,170
Disposals	-	-	-	(59,345)	(59,345)
At 31 December 2006	<u>33,520</u>	<u>63,894</u>	<u>55,895</u>	<u>77,672</u>	<u>230,981</u>
Net book value					
At 31 December 2006	<u>-</u>	<u>7,925</u>	<u>11,265</u>	<u>79,556</u>	<u>98,746</u>
At 31 December 2005	<u>692</u>	<u>5,543</u>	<u>21,734</u>	<u>115,903</u>	<u>143,870</u>

10 Fixed asset investment

	2006 £	2005 £
Cost		
At 1 January 2006 and 31 December 2006	<u>20,000</u>	<u>20,000</u>

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 2005 or 2006. The capital and reserves at 31 December 2006 were £20,000 (2005 £20,000).

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11 Debtors

	2006 £	2005 £
Amounts falling due within one year:		
Trade debtors	5,954	86,197
Amount due from parent undertaking	355,286	316,216
Other debtors	810	528
Prepayments	29,677	18,318
Deferred tax	14,990	21,012
	<u>406,717</u>	<u>442,271</u>

12 Creditors: amounts due within one year

	2006 £	2005 £
Trade creditors	29,355	19,502
Amounts due to subsidiary undertaking	20,000	20,000
Amounts due to parent company	1,319	-
Corporation tax	87,000	79,948
Other taxation and social security costs	44,282	34,601
Accruals and deferred income	27,422	42,493
	<u>209,378</u>	<u>196,544</u>

13 Called up share capital

	2006 £	2005 £
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
75,000 ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

14 Reserves

	Profit and loss account £	Capital reserve £
At 1 January 2006	382,648	9,177
Retained profit for the year	400,570	-
Dividends paid	(355,295)	-
At 31 December 2006	<u>427,923</u>	<u>9,177</u>

HARRISON EUROPAC LIMITED

15 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Opening shareholders' funds (as restated)	466,825	561,129
Profit for the financial year	400,570	355,295
Dividends paid	(355,295)	(449,599)
Closing shareholders' funds	<u>512,100</u>	<u>466,825</u>

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 £55,880 (2005: £55,472)

(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	
	2006 £	2005 £
Within one year	-	36,000
Expiring between two to five years	-	-
	<u>-</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 £1,591,916 (2005: £1,450,223) 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.

HARRISON EUROPAC LIMITED

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