

Faerch Plast Limited
Annual report and financial statements
for the year ended 31 December 2011

Registered number 2291152

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Faerch Plast Limited
Annual report and financial statements
for the year ended 31 December 2011
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Faerch Plast Limited

Directors and advisors for the year ended 31 December 2011

Directors

J Iannidinaro

L Gade Hansen

Company secretary

J Iannidinaro

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and statutory Auditors

First Point

Buckingham Gate

Gatwick

RH6 0PP

Registered office

Stayton House

93 Stayton Road

Sutton

Surrey

SM1 2PS

Registered number

2291152

Faerch Plast Limited

Directors' report for the year ended 31 December 2011

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011

Business review and principal activities

The principal activity of the company has been the marketing and sale of packaging materials and products. The year has been characterised by increases in raw materials and the subsequent need to increase prices. This was achieved with reasonable success. In addition sales increases during the year as a result of new business gained during 2010 and having a full year effect of this in 2011 along with new business finalised in 2011. The directors are satisfied with the results for the year and anticipate that this will continue for the foreseeable future.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The profit for the year after taxation amounted to £894,623 (2010: £601,545). An interim dividend of £600,000 was paid during the year. The directors have not recommended a final dividend as at year end.

Directors

The directors who served during the year under review and up to the date of signing the financial statements were as follows:

J Iannidinardo

M Gotfredsen (Resigned 16 2011)

L Gade Hansen (Appointed 16 2011)

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418ZA of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all steps that he ought to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,

Faerch Plast Limited

Directors' report for the year ended 31 December 2011 (continued)


- make judgements and accounting estimates that are reasonable and prudent, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors' report has been prepared taking advantage of the small companies exemption in accordance with S415A of the Companies Act 2006.

By order of the board



J Ianridmardo
Company secretary
Registered number 2291152

9 March 2012

Faerch Plast Limited

Independent auditors' report to the members of Faerch Plast Limited

We have audited the financial statements of Faerch Plast Limited for the year ended 31 December 2011 which comprise the profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

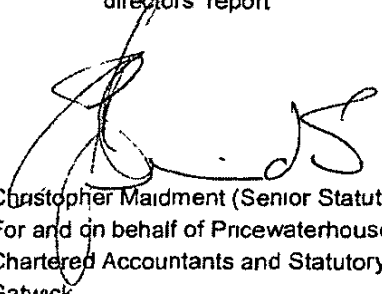
Faerch Plast Limited

Independent auditors' report to the members of Faerch Plast Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion.

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the directors' report



Christopher Maidment (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
9 March 2012

Faerch Plast Limited

Profit and loss account for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	2,400,275	1,919,976
Cost of sales		<u>(2,772)</u>	<u>(8,240)</u>
Gross profit		2,397,503	1,911,736
Administrative expenses		(1,172,961)	(1,086,429)
Other operating income		<u>4,298</u>	<u>24,942</u>
Operating profit		1,228,840	850,249
Interest receivable and similar income		196	66
Interest payable and similar charges	5	<u>(2,062)</u>	<u>(1,106)</u>
Profit on ordinary activities before taxation	6	1,226,974	849,209
Tax on profit on ordinary activities	7	<u>(332,351)</u>	<u>(247,664)</u>
Profit for the financial year	14	894,623	601,545

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

The company has no recognised gains and losses other than those included in the results above and therefore, no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year as stated above, and their historical cost equivalents

Faerch Plast Limited

Balance sheet as at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	9	14,314	31,908
Investments	10	<u>20,000</u>	<u>20,000</u>
		34,314	51,908
Current assets			
Debtors receivable within one year	11	509,629	485,479
Cash at bank and in hand		<u>193,751</u>	<u>-</u>
		703,380	485,479
Creditors: amounts falling due within one year	12	<u>(345,525)</u>	<u>(439,841)</u>
Net current assets		357,855	45,638
Net assets		392,169	97,546
Capital reserves			
Called up share capital	13	75,000	75,000
Profit and loss account	14	307,992	13,369
Capital reserve account	14	<u>9,177</u>	<u>9,177</u>
Total shareholders' funds	15	392,169	97,546

The financial statements on pages 6 to 16 were approved by the board on 9 March and were signed on its behalf by



J Iannidinardo
Director

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and 'The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008'. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Consolidation

The company is a wholly-owned subsidiary of Faerch Plast A/S and is included in the consolidated financial statements of Faerch Plast A/S which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Fixed assets are depreciated on a straight line basis over the estimated useful economic lives. The following annual rates of depreciation have been used.

Fixtures and fittings	25%
Motor vehicles	25%

Leases

Rental charges under operating leases are charged to the profit and loss account in a straight line basis over the term of the lease.

Other operating income

Other operating income comprises of rental income and is taken to the profit and loss account on a straight line basis over the term of the lease. In 2012 Faerch Plast Limited no longer intends to sub-let the building.

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date and any differences arising are taken to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

Deferred taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Turnover

Turnover represents commissions and fees receivable on sales made during the period, net of value added tax. Turnover is recognised on dispatch of goods to the customer.

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 has taken advantage of the exemption in FRS 1 "Cash flow statements (revised 1996)" from the requirement to present a cash flow statement on the grounds that it is a small company.

2 Turnover

The turnover, profit and net assets of the company 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 destination is given below.

	2011 £	2010 £
United Kingdom	2,379,618	1,915,115
Republic of Ireland	20,657	4,861
	<u>2,400,275</u>	<u>1,919,976</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

3 Employee information

	2011 Number	2010 Number
By activity (Full time Equivalents):		
Sales	7	8
Administration	8	8
	<u>15</u>	<u>16</u>

Employee information includes the directors.

	2011 £	2010 £
Wages and salaries	664,809	572,938
Social security costs	99,787	85,361
Other pension costs	65,187	62,313
	<u>829,783</u>	<u>720,612</u>

4 Directors' emoluments

	2011 £	2010 £
Aggregate emoluments	117,283	106,993
Company contributions paid to money purchase schemes in respect of one director (2010 one)	26,897	26,114
	<u>144,180</u>	<u>133,107</u>

5 Interest payable and similar charges

	2011 £	2010 £
Bank interest	<u>2,062</u>	<u>1,106</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Profit on ordinary activities before taxation

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

	2011 £	2010 £
Depreciation on owned tangible fixed assets	16,337	29,557
Audit Fees	15,960	15,960
Profit on disposal of fixed assets	(8,281)	(19,347)
Operating lease payments		
- land and buildings	41,278	41,268

Auditors' fees in respect of non-audit services amounted to £nil (2010 £2,500) for the year. Prior year's fees related to the provision of corporation tax compliance services and company secretarial services.

7 Tax on profit on ordinary activities

(a) Analysis of tax in the year

	2011 £	2010 £
Current tax:		
United Kingdom corporation tax on profits of the year	332,697	243,574
Adjustments in respect of previous year	895	(9,478)
	<u>333,592</u>	<u>234,096</u>
Deferred tax:		
Origination and reversal of timing differences	(1,662)	4,150
Adjustments in respect of previous year	-	8,643
Adjustment to deferred tax balances due to changes in tax rates	421	775
	<u>(1,241)</u>	<u>13,568</u>
Tax on profit on ordinary activities	<u>332,351</u>	<u>247,664</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK 26% (2010 28%) The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	1,226,973	850,070
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	325,148	238,020
<i>Effects of:</i>		
Expenses not deductible for tax purposes	8,199	9,857
Adjustments in respect of prior year	895	(9,478)
Depreciation less than of capital allowances	(650)	(4,303)
Current tax charge for the period (note 7(a))	333,592	234,096

8 Dividends

	2011 £	2010 £
Interim declared and paid	600,000	580,000
Final paid	-	500,000

An interim dividend of £600,000 in respect of the year ended 31 December 2011 was proposed and paid in 2011. A final dividend for the year ended 31 December 2011 is yet to be declared.

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

9 Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost			
At 1 January 2011	111,042	59,313	170,355
Disposals	<u>(12,146)</u>	<u>(37,178)</u>	<u>(49,324)</u>
At 31 December 2011	<u>98,896</u>	<u>22,135</u>	<u>121,031</u>
Accumulated depreciation			
At 1 January 2011	97,743	40,704	138,447
Charge for year	6,824	9,513	16,337
Disposals	<u>(12,143)</u>	<u>(35,924)</u>	<u>(48,067)</u>
At 31 December 2011	<u>92,424</u>	<u>14,293</u>	<u>106,717</u>
Net book amount			
At 31 December 2011	<u>6,472</u>	<u>7,842</u>	<u>14,314</u>
At 31 December 2010	<u>13,299</u>	<u>18,609</u>	<u>31,908</u>

10 Fixed asset investments

Subsidiary undertaking	2011 £	2010 £
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Cost and net book value

At 1 January 2011 and 31 December 2011	<u>20,000</u>	<u>20,000</u>
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The investment of £20,000 represents a 100% interest in the issued £1 ordinary share capital of Harrison Europac Limited (formerly R Faerch Packaging Limited), a company registered in England. Harrison Europac Limited (formerly R Faerch Packaging Limited) has not traded since 2009. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Debtors

	2011 £	2010 £
Trade debtors	8,108	25,674
Amount owed by immediate parent undertaking	465,972	425,845
Other debtors	6,273	25,326
Prepayments	22,347	2,945
Deferred tax	6,929	5,689
	<u>509,629</u>	<u>485,479</u>

12 Creditors: amounts due within one year

	2011 £	2010 £
Bank loans and overdrafts	-	191,190
Trade creditors	30,775	31,426
Amounts owed to subsidiary undertaking	20,000	20,000
Corporation tax	176,356	124,519
Other taxation and social security costs	73,845	47,483
Accruals and deferred income	44,549	25,223
	<u>345,525</u>	<u>439,841</u>

13 Called up share capital

	2011 £	2010 £
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid		
75,000 ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

14 Reserves

	Profit and loss account £	Capital Reserve £
At 1 January 2011	13,369	9,177
Profit for the financial year	894,623	-
Dividends paid	(600,000)	-
At 31 December 2011	<u>307,992</u>	<u>9,177</u>

15 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	97,546	576,001
Profit for the financial year	894,623	601,545
Dividends paid	(600,000)	(1,080,000)
Closing shareholders' funds	<u>392,169</u>	<u>97,546</u>

16 Financial commitments

(a) Capital commitments

At the year end there were no capital commitments (2010 nil)

(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 £65,187 (2010 £62,313)

(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	
	2011 £	2010 £
Between two to five years	<u>13,759</u>	<u>55,038</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

17 Related party transactions

Faerch Plast Limited 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 £2,396,736 (2010: £1,907,719) in relation to sales of product made by its parent company.

Set out in note 11 is the amount due from the immediate parent company.

18 Ultimate and immediate parent company

The immediate parent undertaking is Faerch Plast A/S. The ultimate parent undertaking and controlling party is Faerch Holdings A/S, a company incorporated in Denmark.

Faerch Holdings A/S is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2011. The consolidated financial statements of Faerch Holdings A/S are available from Faerch Holdings A/S, Lille Oestergade 8A, 7500 Holstebro, Denmark. Faerch Plast A/S is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.