

Faerch Plast Limited

**Annual report and financial statements
for the year ended 31 December 2012**

Registered number 2291152



Faerch Plast Limited
Annual report and financial statements
for the year ended 31 December 2012
Contents

Directors and advisors for the year ended 31 December 2012	1
Directors' report for the year ended 31 December 2012	2
Independent auditors' report to the members of Faerch Plast Limited	4
Profit and loss account for the year ended 31 December 2012	6
Balance sheet as at 31 December 2012	7
Notes to the financial statements for the year ended 31 December 2012	8

Faerch Plast Limited

Directors and advisors for the year ended 31 December 2012

Directors

L Gade Hansen
J Iannidinardo

Company secretary

J Iannidinardo

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
89 Sandyford Road
Newcastle Upon Tyne
NE1 8HW

Registered office

Waymark House
19A Cedar Road
Sutton
Surrey
SM2 5DA

Registered number

2291152

Faerch Plast Limited

Directors' report for the year ended 31 December 2012

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2012

Business review and principal activities

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.

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 £908,832 (2011: £894,623). An interim dividend of £290,000 (2011: £600,000) was paid during the year. The directors have not recommended a final dividend.

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
L Gade Hansen

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 418 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 2012 (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 Iannidinardo
Company secretary
Registered number 2291152

28 February 2013

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 2012 which comprise the profit and loss account, the 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).

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 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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



Jonathan Greenaway (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne
28 February 2013

Faerch Plast Limited

Profit and loss account for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	2,504,601	2,400,275
Cost of sales		(2,874)	(2,772)
Gross profit		2,501,727	2,397,503
Administrative expenses		(1,295,931)	(1,172,961)
Other operating income		-	4,298
Operating profit		1,205,796	1,228,840
Interest receivable and similar income	5	11,023	196
Interest payable and similar charges	6	(2,822)	(2,062)
Profit on ordinary activities before taxation	7	1,213,997	1,226,974
Tax on profit on ordinary activities	8	(305,165)	(332,351)
Profit for the financial year	15	908,832	894,623

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 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	10	3,449	14,314
Investments	11	20,000	20,000
		<u>23,449</u>	<u>34,314</u>
Current assets			
Debtors amounts receivable within one year	12	1,400,499	509,629
Cash at bank and in hand		866	193,751
		<u>1,401,365</u>	<u>703,380</u>
Creditors amounts falling due within one year	13	<u>(413,813)</u>	<u>(345,525)</u>
Net current assets		<u>987,552</u>	<u>357,855</u>
Net assets		<u>1,011,001</u>	<u>392,169</u>
Capital reserves			
Called up share capital	14	75,000	75,000
Profit and loss account	15	926,824	307,992
Capital reserve account	15	9,177	9,177
Total shareholders' funds	16	<u>1,011,001</u>	<u>392,169</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, 'The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008'

The financial statements on pages 6 to 16 were approved by the board on 28 February 2013 and were signed on its behalf by



J Iannidinardo
Director

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2012 (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 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 2012 (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.

	2012 £	2011 £
United Kingdom	2,449,818	2,379,618
Republic of Ireland	54,783	20,657
	<u>2,504,601</u>	<u>2,400,275</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

3 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was 17 (2011 15)

	2012 Number	2011 Number
By activity (Full time Equivalents)		
Sales	8	7
Administration	9	8
	<u>17</u>	<u>15</u>

Employee information includes the directors

	2012 £	2011 £
Wages and salaries	686,585	664,809
Social security costs	105,609	99,787
Other pension costs	69,057	65,187
	<u>861,251</u>	<u>829,783</u>

4 Directors' emoluments

	2012 £	2011 £
Aggregate emoluments	123,995	117,283
Company contributions paid to money purchase schemes in respect of one director (2011 one)	28,885	26,897
	<u>152,880</u>	<u>144,180</u>

5 Interest receivable and similar income

	2012 £	2011 £
Bank interest	<u>11,023</u>	<u>196</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

6 Interest payable and similar charges

	2012	2011
	£	£
Bank interest	<u>2,822</u>	<u>2,062</u>

7 Profit on ordinary activities before taxation

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

	2012	2011
	£	£
Depreciation on owned tangible fixed assets	10,865	16,337
Audit Fees	12,000	15,960
Profit on disposal of fixed assets	-	(8,281)
Operating lease payments		
- land and buildings	<u>44,266</u>	<u>41,278</u>

Auditors' fees in respect of non-audit services amounted to £6,000 (2011 £4,500) for the year, and relates to taxation compliance services

8 Tax on profit on ordinary activities

(a) Analysis of tax in the year

	2012	2011
	£	£
Current tax.		
United Kingdom corporation tax on profits of the year	310,271	332,697
Adjustments in respect of prior year	<u>(8,270)</u>	<u>895</u>
	302,001	333,592
Deferred tax:		
Origination and reversal of timing differences	(1,560)	(1,662)
Adjustments in respect of prior year	4,429	-
Effect of changes in tax rates	<u>295</u>	<u>421</u>
	3,164	(1,241)
Tax on profit on ordinary activities	<u>305,165</u>	<u>332,351</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK 24.5% (2011 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	1,213,997	1,226,973
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	297,427	325,148
<i>Effects of</i>		
Expenses not deductible for tax purposes	11,284	8,199
Adjustments in respect of prior year	(8,270)	895
Differences between depreciation and capital allowances	1,560	(650)
Current tax charge for the year (note 8(a))	302,001	333,592

9 Dividends

	2012 £	2011 £
Interim dividend paid (at 387p per share (2011 800p per share))	<u>290,000</u>	<u>600,000</u>

An interim dividend of £290,000 in respect of the year ended 31 December 2012 was proposed and paid in 2012. A final dividend for the year ended 31 December 2012 is yet to be declared.

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

10 Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost			
At 1 January 2012	98,896	22,135	121,031
Disposals	-	-	-
At 31 December 2012	98,896	22,135	121,031
Accumulated depreciation			
At 1 January 2012	92,424	14,293	106,717
Charge for year	5,330	5,535	10,865
Disposals	-	-	-
At 31 December 2012	97,754	19,828	117,582
Net book amount			
At 31 December 2012	1,142	2,307	3,449
At 31 December 2011	6,472	7,842	14,314

11 Fixed asset investments

Subsidiary undertaking	2012 £	2011 £
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Cost and net book value

At 1 January and 31 December	<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 2012 (continued)

12 Debtors

	2012 £	2011 £
Trade debtors	-	8,108
Amount owed by immediate parent undertaking	1,361,306	465,972
Other debtors	8,935	6,273
Corporation tax	2,808	-
Prepayments	23,686	22,347
Deferred tax	3,764	6,929
	<u>1,400,499</u>	<u>509,629</u>

Amounts owed by immediate parent undertaking are unsecured, are not interest-bearing and have no fixed date of repayment

13 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	102,462	-
Trade creditors	42,368	30,775
Amounts owed to subsidiary undertaking	20,000	20,000
Amounts owed to fellow group undertaking	153,339	-
Amounts owed to immediate parent undertaking	200	-
Corporation tax	-	176,356
Other taxation and social security costs	58,851	73,845
Accruals and deferred income	36,593	44,549
	<u>413,813</u>	<u>345,525</u>

Amounts owed to subsidiary, fellow group, and immediate parent undertakings are unsecured, are not interest-bearing and have no fixed date of repayment

14 Called up share capital

	2012 £	2011 £
Authorised		
100,000 (2011 100,000) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid		
75,000 (2011 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 2012 (continued)

15 Reserves

	Profit and loss account £	Capital Reserve £
At 1 January 2012	307,992	9,177
Profit for the financial year	908,832	-
Dividends paid	(290,000)	-
At 31 December 2012	<u>926,824</u>	<u>9,177</u>

16 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	392,169	97,546
Profit for the financial year	908,832	894,623
Dividends paid	(290,000)	(600,000)
Closing shareholders' funds	<u>1,011,001</u>	<u>392,169</u>

17 Financial commitments

(a) Capital commitments

At the year end there were no capital commitments (2011 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 £69,057 (2011 £65,187)

(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	
	2012 £	2011 £
Within one year	<u>3,608</u>	<u>44,266</u>

Faerch Plast Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

18 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 £2,500,924 (2011: £2,396,736) in relation to sales of product made by its parent company.

Set out in note 12 is the amount due from the immediate parent company.

Set out in note 13 is the amount due from a fellow group company in respect of group tax relief.

19 Ultimate and immediate parent company

The immediate parent undertaking is R Faerch Plast A/S.

The ultimate parent undertaking and controlling party is Faerch Holdings Aps, a company incorporated in Denmark.

Faerch Holdings Aps is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Faerch Holdings Aps are available from Faerch Holdings Aps, Lille Oestergade 8A, 7500 Holstebro, Denmark.

R Faerch Plast A/S is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of R Faerch Plast A/S can be obtained from R Faerch Plast A/S, Rasmus Faerchs Vej, 7500 Holstebro, Denmark.