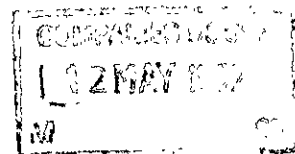


2307443



HARRISON EUROPAC LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 1991

PANNELL KERR FORSTER
Chartered Accountants

A03715.91

HARRISON EUROPAC LIMITED
(Registered number 2307443)
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 1991

CONTENTS

DIRECTORS' REPORT	1
AUDITORS' REPORT	2
PROFIT AND LOSS ACCOUNT	3
BALANCE SHEET	4
STATEMENT OF SOURCE AND APPLICATION OF FUNDS	5
NOTES TO THE FINANCIAL STATEMENTS	6

HARRISON EUROPAC LIMITED

DIRECTORS' REPORT

The directors present their report with the audited financial statements for the year ended 31 December 1991, which show the state of the company's affairs.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is to carry out the marketing and sale of packaging materials and products.

During the year shares owned by George Harrison Limited were sold to R Faerch Packaging Limited. As part of the separation which took place as a result, some of the business activities of Harrison Europac were transferred to George Harrison Limited together with two employees. This is reflected in the lower turnover figures and gross profit as well as the reduction in total number of employees.

The directors intend to develop the business by taking on new agencies as well as by expanding sales of products from existing suppliers. A new agency has already been negotiated which will achieve a turnover of 1 million pounds during 1992.

The company's financial position at 31 December 1991 is shown in the attached balance sheet.

RESULTS, DIVIDENDS AND RETENTIONS

The loss for the year after taxation amounted to £5,042 which when deducted from the balance brought forward on the profit and loss account leaves accumulated profits of £23,701 to carry forward.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year were as follows:


J Iannidinardo	
J M Uwins	(resigned 10 April 1991)
J Faerch	

DIRECTORS' INTEREST

The directors have interests which require to be recorded in the register maintained by the company under Section 325 of the Companies Act 1985, as follows:

	Ordinary "C" shares of £1 each at 1 January 1991 and 31 December 1991
J Iannidinardo	2,000

BY ORDER OF THE BOARD


J Iannidinardo
Secretary

**AUDITORS' REPORT TO THE MEMBERS OF
HARRISON EUROPAC LIMITED**

We have audited the financial statements on pages 3 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1991 and of the loss and source and application of funds for the year ended on that date, and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster

PANNELL KERR FORSTER
Chartered Accountants

London

17 March 1992

**HARRISON EUROPAC LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1991**

	<u>Notes</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Turnover	2	5,470,620	6,677,714
Cost of sales		5,164,082	6,261,094
Gross profit		306,538	416,620
Administration expenses		305,742	376,299
		796	40,321
Interest receivable		1,714	3,447
Interest payable	4	(11,284)	(8,270)
(Loss)/profit on ordinary activities before taxation	5	(8,774)	35,498
Tax on (loss)/profit on ordinary activities	6	(3,732)	11,500
Retained (loss)/profit for the year	11	(5,042)	23,998

HARRISON EUROPAC LIMITED
BALANCE SHEET
31 DECEMBER 1991

	Notes	£	1991	£	£	1990	£
FIXED ASSETS							
Tangible assets	7			42,738			71,662
CURRENT ASSETS							
Debtors	8	107,700			162,138		
Cash at bank and in hand		14,589			34,642		
				<u>122,289</u>		<u>196,780</u>	
CREDITORS							
Amounts falling due within one year	9	(115,827)			(199,376)		
					<u></u>		
NET CURRENT ASSETS/(LIABILITIES)				6,462			(2,596)
CREDITORS							
Amounts falling due after more than one year	9			(5,499)			(20,323)
				<u></u>			<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES				43,701			48,743
				<u></u>			<u></u>
CAPITAL AND RESERVES							
Called up share capital	10			20,000			20,000
Profit and loss account	11			23,701			28,743
				<u>43,701</u>			<u>48,743</u>

Approved by the board on 17 March 1992

J Iannidinardo

Director

HARRISON EUROPAC LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
31 DECEMBER 1991

	£	<u>1991</u>	£	£	<u>1990</u>	£
SOURCE OF FUNDS						
(Loss)/profit before taxation			(8,774)			35,498
Adjustments for items not involving the movement of funds:						
Depreciation of tangible fixed assets	19,396			21,608		
Loss on disposal of tangible fixed assets	2,821			2,179		
			<u>22,217</u>			<u>23,787</u>
TOTAL GENERATED FROM OPERATIONS			13,443			59,285
FUNDS FROM OTHER SOURCES						
Sale proceeds of tangible fixed assets			16,700			7,506
Increase in loan from group undertaking			15,000			-
			<u>45,143</u>			<u>66,791</u>
APPLICATION OF FUNDS						
Purchase of tangible fixed assets			(9,993)			68,801
Taxation paid			(832)			-
			<u>34,318</u>			<u>(2,010)</u>
CHANGES IN WORKING CAPITAL						
Debtors			(54,438)			(327,938)
Creditors			108,809			343,951
			<u>54,371</u>			<u>16,013</u>
Movement in net liquid funds:						
Cash and bank balances			(20,053)			(18,023)
			<u>34,318</u>			<u>(2,010)</u>

HARRISON EUROPAC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1971

1 ACCOUNTING POLICIES

(a) Historical cost convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Depreciation

Fixed assets are written off over their estimated useful lives. The following annual rates of depreciation have been used:-

Fixtures & fittings	25%	} Straight line
Computer equipment	25%	
Motor vehicles	25%	

(c) Turnover

Turnover represents the invoiced value of sales excluding value added tax.

(d) Finance leases

Tangible fixed assets held under leasing agreements that give rights approximating to ownership are treated as if they had been purchased outright and the corresponding liability to the lessor is included as an obligation under finance leases.

(e) Foreign currencies

Liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. Normal fluctuation on trading items are dealt with as part of the trading result for the year.

(f) Deferred taxation

Deferred taxation is provided under the liability method, at the appropriate rate on differences which arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, except where the effect of these differences is expected to continue in the foreseeable future.

(g) Pension costs

Payments made to defined contribution pension schemes are charged to the profit and loss account as they fall due.

HARRISON EUROPAC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1991

2	TURNOVER	<u>1991</u> £	<u>1990</u> £
	The turnover arose from a single class of business and is analysed as follows:		
	United Kingdom	5,366,415	6,306,747
	Eire	104,205	370,967
		<hr/> 5,470,620	<hr/> 6,677,714
		<hr/>	<hr/>
3	STAFF COSTS		
	Wages and salaries	136,397	150,388
	Social security costs	11,885	12,662
	Other pension costs	17,180	27,223
		<hr/> 165,462	<hr/> 190,273
		<hr/>	<hr/>
	The average numbers employed by the company during the year was 7 (1990 : 9).		
4	INTEREST		
	Interest payable:		
	Payable to group undertakings	5,904	5,164
	Payable in respect of finance leases and hire purchase contracts, wholly repayable within five years	5,308	3,106
	Bank interest payable	72	-
		<hr/> 11,284	<hr/> 8,270
		<hr/>	<hr/>
5	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
	The (loss)/profit on ordinary activities before taxation is stated after charging the following:-		
	Depreciation of tangible fixed assets	19,396	21,608
	Loss on disposal of fixed assets	2,821	2,179
	Directors' emoluments - remuneration and pension contributions	38,658	38,100
	- fees	-	5,496
	Auditors remuneration	7,500	7,500
		<hr/>	<hr/>

HARRISON EUROPAC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1991

6	TAXATION		<u>1991</u> £	<u>1990</u> £	
	Taxation based on the profit for the year:				
	UK Corporation tax at 25%		1,560	11,500	
	Adjustment in respect of previous years		(5,292)	-	
			<hr/>	<hr/>	
			(3,732)	11,500	
			<hr/>	<hr/>	
7	TANGIBLE FIXED ASSETS				
		<u>Fixtures</u> <u>fittings</u> £	<u>Computer</u> <u>equipment</u> £	<u>Motor</u> <u>vehicles</u> £	<u>Total</u> £
	Cost				
	At 1 January 1991	5,937	19,996	75,493	101,426
	Additions	9,023	970	-	9,993
	Disposals	-	-	(32,865)	(32,865)
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 1991	14,960	20,966	42,628	78,554
		<hr/>	<hr/>	<hr/>	<hr/>
	Accumulated depreciation				
	At 1 January 1991	2,969	1,250	25,545	29,764
	Charge for year	3,740	4,999	10,657	19,396
	Disposals	-	-	(13,344)	(13,344)
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 1991	6,709	6,249	22,858	35,816
		<hr/>	<hr/>	<hr/>	<hr/>
	Net book value				
	At 31 December 1991	8,251	14,717	19,770	42,738
		<hr/>	<hr/>	<hr/>	<hr/>
	At 31 December 1990	2,968	18,746	49,948	71,662
		<hr/>	<hr/>	<hr/>	<hr/>

HARRISON EUROPAC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1991

7 TANGIBLE FIXED ASSETS (continued)

Included in the tangible fixed assets at 31 December 1991 are the following amounts relating to assets acquired under outstanding finance leases and hire purchase contracts:

	<u>Computer equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost	19,996	26,690	46,686
Accumulated depreciation	(6,249)	(13,345)	19,594
	<hr/>	<hr/>	<hr/>
Net book value	13,747	13,345	27,092
	<hr/>	<hr/>	<hr/>
Depreciation provided for the year	4,999	6,673	11,672
	<hr/>	<hr/>	<hr/>

8 DEBTORS

	<u>1991</u> £	<u>1990</u> £
Due within one year:		
Trade debtors	4,606	160,850
Amounts due from group undertakings	96,017	-
Other debtors	3,683	450
Prepayments and accrued income	3,394	838
	<hr/>	<hr/>
	107,700	162,138
	<hr/>	<hr/>

9 CREDITORS

Amounts falling due within one year:		
Obligations under finance and hire purchase contracts (Note 12)	14,189	37,230
Trade creditors	13,807	27,665
Other creditors	13,189	23,754
Amounts due to group undertakings	52,742	-
Amounts due to related undertakings	-	85,183
Taxation and social security	3,696	993
Corporation tax	6,936	11,500
Accruals and deferred income	11,268	13,051
	<hr/>	<hr/>
	115,827	199,376
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Obligations under finance leases and hire purchase contracts (Note 12)	5,499	20,323
	<hr/>	<hr/>

HARRISON EUROPAC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1991

10	CALLED UP SHARE CAPITAL	<u>1991</u> £	<u>1990</u> £
	Authorised:		
	Ordinary shares of £1 each	20,000	20,000
		<hr/>	<hr/>
	Allotted and fully paid:		
	Ordinary shares of £1 each	20,000	20,000
		<hr/>	<hr/>
11	PROFIT AND LOSS ACCOUNT	£	
	At 1 January 1991	28,743	
	Retained loss for the year	(5,042)	
		<hr/>	
	At 31 December 1991	23,701	
		<hr/>	
12	FINANCIAL COMMITMENTS		
	(a) Obligations under finance leases and hire purchase contracts:		
	Amounts payable within one year	16,967	
	Amounts payable within two to five years	6,825	
		<hr/>	
		23,792	
	Less: Finance element allocated to future years	(4,104)	
		<hr/>	
		19,688	
		<hr/>	
	Shown as (Note 9):		
	Due within one year	14,189	
	Due after more than one year	5,499	
		<hr/>	
		19,688	
		<hr/>	
	(b) Capital commitments		
	There were no commitments of capital expenditure at 31 December 1991 nor had any been authorised.		
	(c) Pension scheme arrangements		
	The company makes payments into a defined contribution pension scheme on behalf of employees. The pension cost charged in the year amounted to £17,179.		

**HARRISON EUROPAC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1991**

13 CONTINGENT LIABILITY

The company has given an indemnity to its bankers in respect of a guarantee to HM Custom and Excise up to a maximum of £4,000.

14 ULTIMATE PARENT UNDERTAKING

The company is a subsidiary of R Faerch Packaging Limited a company incorporated in Great Britain.

The directors regard R Faerch Plast AS, a company incorporated in Denmark, as the ultimate parent undertaking.

Group accounts are available from R Faerch Plast AS, Rasmus Faerchs VEJI, Postbox 1040, 7500 Holstebro, Denmark.