

3600582

JACOB JÜRGENSEN [UK] LIMITED

31 DECEMBER 2002



JACOB JÜRGENSEN [UK] LIMITED

DIRECTORS' REPORT

Registered Office

Suites 3 and 12
Weston House
18/22 Church Street
Lutterworth
Leicestershire LE17 4AL

Company No

03600582

The directors present their annual report, together with the audited financial statements, for the year ended 31 December 2002.

1 Principal Activity

The company continued to trade as suppliers of forest products.

2 Review of Business

During the year, the company has increased its sales volume by 17%. Combined with the decrease in market prices, this has resulted in a turnover for the year of £4,750,670. The results for the year, as set out in the profit and loss account on page 5 of the financial statements, are considered by the directors to be satisfactory. The directors are confident that the company's performance will be maintained in the following year.

3 Donations

The company made charitable donations during the year of £240.

4 Dividends

The company did not pay a dividend in the current year.

5 Directors

The directors who held office during the year, together with their beneficial interests in the shares of the company, were as follows:-

	Ordinary Shares of £1 each	
	31 December 2002	1 January 2002
Mr M Bausor	10,000	10,000
Mr S Prodöhl	-	-
Mr W E Wroldsen	-	-

A statement of directors' responsibilities is set out on page 2 of the attached financial statements.

JACOB JÜRGENSEN [UK] LIMITED

DIRECTORS' REPORT

[Continued]

6 Auditors

The auditors, Messrs Crowfoot and Company, will be proposed for re-appointment in accordance with Section 386 of the Companies Act 1985.

By Order of the Board


Secretary

19 February 2003

JACOB JÜRGENSEN [UK] 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 the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently

make judgments and estimates that are reasonable and prudent

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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JACOB JÜRGENSEN [UK] LIMITED**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8 and 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described on page 3, the company's directors are responsible for the preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and UK Auditing Standards.

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 transactions with the company is not disclosed.

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

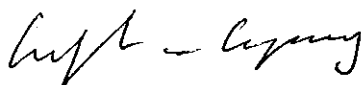
Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 of the state of the company's affairs at 31 December 2002 and of its profit and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor

19 February 2003

Chartered Accountants

JACOB JÜRGENSEN [UK] LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2002**

	Note	2002		2001	
		£	£	£	£
Turnover - continuing activities	2		4,750,670		4,945,794
Cost of sales			4,471,709		4,669,012
			<hr/>		<hr/>
Gross Profit			278,961		276,782
Administrative expenses		22,055		23,629	
Other operating charges		200,428		151,309	
Other income		(3,788)		(7,521)	
		<hr/>		<hr/>	
			218,695		167,417
			<hr/>		<hr/>
Operating Profit - continuing activities	3		60,266		109,365
Taxation	5		18,293		14,423
			<hr/>		<hr/>
Profit for the financial year			41,973		94,942
Profit/(loss) brought forward			50,667		(44,275)
			<hr/>		<hr/>
Profit carried forward			92,640		50,667
			<hr/> <hr/>		<hr/> <hr/>

JACOB JÜRGENSEN [UK] LIMITED

BALANCE SHEET - 31 DECEMBER 2002

		2002		2001	
	Note	£	£	£	£
Tangible Fixed Assets	6		49,268		52,938
Current Assets					
Stocks	7	263,073		341,905	
Trade debtors		222,120		535,693	
Other debtors		7,846		17,723	
Prepayments		4,056		799,824	
Cash at bank		160,410		216,256	
Cash in hand		312		49	
		<u>657,817</u>		<u>1,911,450</u>	
Creditors: amounts falling due within one year					
Trade creditors		507,158		1,734,880	
Taxation and social security		18,600		66,274	
Corporation tax		16,474		11,955	
Other creditors		12,055		22,484	
Accruals		8,655		25,660	
		<u>562,942</u>		<u>1,861,253</u>	
Net Current Assets			94,875		50,197
			<u>144,143</u>		<u>103,135</u>
Provision for Liabilities and Charges					
Deferred taxation	8		1,503		2,468
			<u>142,640</u>		<u>100,667</u>
Capital and Reserves					
Called up share capital	9		50,000		50,000
Profit and loss account			92,640		50,667
Shareholders' Funds - equity interests	10		<u>142,640</u>		<u>100,667</u>

Approved by the Board on 19 February 2003

Directors:

JACOB JÜRGENSEN [UK] LIMITED**CASHFLOW STATEMENTS****YEAR ENDED 31 DECEMBER 2002**

		2002	2001
	Note	£	£
Net cash outflow from operating activities	16	(29,293)	(221,111)
Returns on investments and servicing of finance	17	3,788	7,521
Taxation		(14,748)	-
Capital expenditure	18	(15,330)	(50,313)
		<hr/>	<hr/>
Decrease in cash		(55,583)	(263,903)
		<hr/>	<hr/>

A reconciliation of net cash flow to net debt is shown at note 14

JACOB JÜRGENSEN [UK] LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

1 Accounting Policies

a Basis of Accounting

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

b Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

c Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:-

Office equipment	25% on reducing balance
Fixtures and fittings	15% on reducing balance
Computer equipment	25% on cost
Computer software	50% on cost
Motor vehicles	21% on straight line

d Stocks

Stock is valued at the lower of cost and net realisable value.

e Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences.

f Leases and Hire Purchase Contracts

Payments under operating leases are charged to the profit and loss account in the year in which they are incurred. Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets over their estimated useful economic lives or, if shorter the lease term. The related obligation, net of future charges, are included in creditors falling due within and after more than one year. The interest element of repayments of finance leases and hire purchase contracts is charged to the profit and loss account over the duration of the lease and represents a constant proportion of the capital balance outstanding, so as to produce a constant periodic rate of charge on the net obligations outstanding in each period.

g Pension Scheme

The company operates a defined contributions scheme. Pension contributions are charged against profit under the accruals basis.

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE FINANCIAL STATEMENTS****[Continued]****YEAR ENDED 31 DECEMBER 2002****1 Accounting Policies [continued]****h Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Turnover

The turnover and profit is attributable to the one principal activity of the company. An analysis of turnover is set out below:-

	2002	2001
	£	£
United Kingdom	4,749,113	4,919,415
Europe	1,557	6,761
Far East	-	19,618
	<u>4,750,670</u>	<u>4,945,794</u>

3 Operating Profit

is stated after charging:-

	£	£
Depreciation of tangible fixed assets	13,778	5,472
Directors' pension contributions	6,500	5,000
Auditors' remuneration	2,000	2,450
Directors' remuneration:-		
salaries	56,500	29,150
benefits in kind	7,668	631
	<u>76,346</u>	<u>32,653</u>

4 Staff Costs

	2002	2001
	£	£
Wages and salaries	112,651	79,018
Employers' NIC	11,209	8,260
Pension contributions	10,183	8,535
	<u>134,043</u>	<u>95,813</u>

The average weekly number of employees during the year was seven [2001 seven].

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE FINANCIAL STATEMENTS****[Continued]****YEAR ENDED 31 DECEMBER 2002**

	2002	2001
	£	£
5 Taxation		
is stated after charging:-		
Corporation tax at 30% on the taxable result for the year	16,474	11,955
Prior year adjustment	2,784	-
Deferred taxation	(965)	2,468
	<u>18,293</u>	<u>14,423</u>

The company is a close company under the terms of the Income and Corporation Taxes Act 1988.

6 Tangible Fixed Assets

	Office Equipment £	Fixtures and Fittings £	Computer Equipment £	Computer Software £	Motor Vehicles £	Total £
Cost						
At 1 January 2002	8,144	357	14,198	2,909	38,090	63,698
Additions	1,447	-	3,229	254	22,650	27,580
Disposals	-	-	(884)	-	(21,340)	(22,224)
As at 31 December 2002	<u>9,591</u>	<u>357</u>	<u>16,543</u>	<u>3,163</u>	<u>39,400</u>	<u>69,054</u>
Accumulated Depreciation						
At 1 January 2002	2,114	14	5,235	2,731	666	10,760
Charge for the year	1,793	52	3,686	230	8,017	13,778
Eliminated on disposals	-	-	(645)	-	(4,107)	(4,752)
As at 31 December 2002	<u>3,907</u>	<u>66</u>	<u>8,276</u>	<u>2,961</u>	<u>4,576</u>	<u>19,786</u>
Net Book Value						
As at 31 December 2002	<u>5,684</u>	<u>291</u>	<u>8,267</u>	<u>202</u>	<u>34,824</u>	<u>49,268</u>
As at 31 December 2001	<u>6,030</u>	<u>343</u>	<u>8,963</u>	<u>178</u>	<u>37,424</u>	<u>52,938</u>

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE FINANCIAL STATEMENTS****[Continued]****YEAR ENDED 31 DECEMBER 2002**

7	Stocks	2002 £	2001 £
	Goods for re-sale	263,073	341,905
		<u> </u>	<u> </u>

If valued at replacement cost at 31 December 2002, the value of finished goods would not be materially different from the balance sheet value.

8 Deferred Taxation

	£	£
in respect of capital allowances in excess of depreciation:-		
provided	1,503	2,468
unprovided	-	-
	<u> </u>	<u> </u>
	1,503	2,468
	<u> </u>	<u> </u>

9 Called Up Share Capital

Authorised	£	£
50,000 ordinary shares of £1 each	50,000	50,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000
	<u> </u>	<u> </u>

10 Reconciliation of Movements in Shareholders' Funds

	£	£
Profit for the year	41,973	94,942
Opening shareholders' funds	100,667	5,725
	<u> </u>	<u> </u>
Closing shareholders' funds	142,640	100,667
	<u> </u>	<u> </u>

JACOB JÜRGENSEN [UK] LIMITED

NOTES TO THE FINANCIAL STATEMENTS

[Continued]

YEAR ENDED 31 DECEMBER 2002

11 Controlling Party and Ultimate Holding Company

The company is a subsidiary of Jacob Jürgensen Papier und Zellstoff GmbH, a company registered in Germany.

Messrs S Prodöhl, W E Wroldsen and A Francke, together with Messrs A von Muller and A Francke as Managing Directors of Jacob Jürgensen GmbH & Co KG, act together as the controlling party by reason of their controlling interest in the shares of Jacob Jürgensen Papier und Zellstoff GmbH.

12 Transactions with Related Parties

During the year, the company purchased goods from its parent company, Jacob Jürgensen Papier und Zellstoff GmbH at normal commercial terms to the value of £3,125,915 (2001 £5,331,753); the purchase ledger balance at 31 December 2002 amounted to £454,344 (2001 £1,623,489).

The company sold goods to Jacob Jürgensen Papier und Zellstoff GmbH on normal commercial terms to the value of £nil (2001 £19,618); the sales ledger balance at 31 December 2002 amounted to £nil (2001 £nil).

The company received a loan during the year ended 31 December 1999 from its parent company of £16,000. The loan was repaid in full during the year ended 31 December 2001.

Included within *debtors* on the balance sheet is an amount of £1,090 due from the director, Mr M Bausor. This amount represents the maximum amount outstanding during the year.

13 Pension Costs

The company operates a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,183 (2001 £8,535). The number of directors for whom retirement benefits are accruing is one (2001 one).

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE FINANCIAL STATEMENTS****[Continued]****YEAR ENDED 31 DECEMBER 2002**

	2002		
	£		
14 Reconciliation of Net Cashflow to Movement in Net Cash			
Decrease in cash in the year		(55,583)	
Net cash at 1 January 2002		216,305	
		<hr/>	
Net cash at 31 December 2002		160,722	
		<hr/>	
15 Analysis of Changes in Net Cash			
	At		At
	1 January		31 December
	2002	Cashflows	2002
	£	£	£
Cash at bank and in hand	216,305	(55,583)	160,722
	<hr/>	<hr/>	<hr/>
16 Reconciliation of Operating Profit to Net Cash Outflow from Operating Activities			
	2002	2001	
	£	£	
Operating profit	60,266	109,365	
Depreciation	13,788	5,472	
Interest received	(3,788)	(7,521)	
Loss on disposal of fixed assets	5,221	678	
Decrease/(increase) in stocks	78,832	(164,966)	
Decrease/(increase) in debtors	1,119,218	(1,089,748)	
(Decrease)/increase in creditors	(1,302,830)	925,609	
	<hr/>	<hr/>	
Net Cash Outflow from Operating Activities	(29,293)	(221,111)	
	<hr/>	<hr/>	

JACOB JÜRGENSEN [UK] LIMITED
NOTES TO THE FINANCIAL STATEMENTS

[Continued]

YEAR ENDED 31 DECEMBER 2002

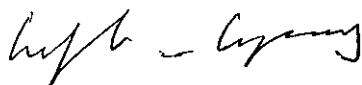
	2002	2001
17 Returns on Investments and Servicing of Finance	£	£
Bank interest received	3,788	7,521
	<u> </u>	<u> </u>
 18 Capital Expenditure	 £	 £
Payments to acquire tangible assets	(27,580)	(51,847)
Receipts from disposal of tangible assets	12,250	1,534
	<u> </u>	<u> </u>
	(15,330)	(50,313)
	<u> </u>	<u> </u>

ADDITIONAL INFORMATION REPORT
TO THE DIRECTORS OF
JACOB JÜRGENSEN [UK] LIMITED

The additional information contained on pages 16 to 18 has been prepared by us from the books and records of the company.

This information has been subjected to the tests and other auditing procedures applied in our examination of the statutory financial statements of Jacob Jürgensen [UK] Limited for the year ended 31 December 2002.

In our opinion, in relation to the statutory financial statements taken as a whole, this information is fairly presented in all material respects.



Registered Auditor

19 February 2003

Chartered Accountants

JACOB JÜRGENSEN [UK] LIMITED**TRADING STATEMENT****YEAR ENDED 31 DECEMBER 2002**

	2002		2001	
	£	£	£	£
Sales		4,750,670		4,945,794
Other income		3,788		7,521
		<hr/>		<hr/>
		4,754,458		4,953,315
 Cost of Sales				
Opening stock	341,905		176,939	
Purchases	4,389,259		4,831,738	
Closing stock	(263,073)		(341,905)	
	<hr/>		<hr/>	
	4,468,091		4,666,772	
Commission paid	105		526	
Other direct costs	3,513		1,714	
	<hr/>		<hr/>	
		4,471,709		4,669,012
		<hr/>		<hr/>
Gross Profit		282,749		284,303
 Expenses per statement		222,483		174,938
		<hr/>		<hr/>
Net Profit for the Year		60,266		109,365
		<hr/>		<hr/>

JACOB JÜRGENSEN [UK] LIMITED**STATEMENT OF EXPENSES****YEAR ENDED 31 DECEMBER 2002**

	2002		2001	
	£	£	£	£
Staff Costs				
Directors' remuneration	56,500		29,150	
Directors' pension contributions	6,500		5,000	
Staff salaries	56,151		49,868	
Staff pension costs	3,683		3,535	
Employers' national insurance contributions	11,209		8,260	
Training costs	1,210		-	
	<u> </u>	135,253	<u> </u>	95,813
 Property Costs				
Rent	5,940		3,918	
Service charges	2,221		1,415	
Rates	1,527		785	
	<u> </u>	9,688	<u> </u>	6,118
 Travel and Subsistence				
Motor expenses	8,996		24,479	
Travelling	11,098		9,630	
Entertainment and subsistence	2,069		2,976	
	<u> </u>	22,163	<u> </u>	37,085
 Administrative Expenses				
Printing, postage and stationery	3,370		4,276	
Photocopier charges	355		481	
Telephone and fax	4,469		5,710	
Computer expenses	1,278		888	
Miscellaneous	7,205		3,457	
	<u> </u>	16,677	<u> </u>	14,812
 Legal and Professional				
Legal and professional fees	3,378		6,367	
Audit and accountancy	2,000		2,450	
	<u> </u>	5,378	<u> </u>	8,817
 Carried forward		<u>189,159</u>		<u>162,645</u>

JACOB JÜRGENSEN [UK] LIMITED**STATEMENT OF EXPENSES****[Continued]****YEAR ENDED 31 DECEMBER 2002**

	2002		2001	
	£	£	£	£
Brought forward		189,159		162,645
Insurance				
Travel insurance	230		183	
Contents insurance	514		555	
Medical insurance	3,403		3,038	
Other insurance	566		105	
	<hr/>	4,713	<hr/>	3,881
Sundry Expenses				
Subscriptions	3,044		1,985	
Bank charges and interest	6,568		277	
	<hr/>	9,612	<hr/>	2,262
Depreciation				
Depreciation	13,778		5,472	
Loss on disposal of tangible fixed assets	5,221		678	
	<hr/>	18,999	<hr/>	6,150
Expenses to Trading Statement		<hr/> <hr/>		<hr/> <hr/>
		222,483		174,938