



AUDITORS' REPORT TO
JACOB JÜRGENSEN [UK] LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of Jacob Jürgensen [UK] Limited, prepared under s226 of the Companies Act 1985 for the year ended 31 December 2003.

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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

A handwritten signature in black ink, appearing to read "A. J. G. Jones", is written above the title "Registered Auditor".

Registered Auditor

18 February 2004

Chartered Accountants

JACOB JÜRGENSEN [UK] LIMITED

ABBREVIATED BALANCE SHEET - 31 DECEMBER 2003

		2003	2002
	Note	£	£
Tangible Fixed Assets	2	14,022	49,268
Current Assets			
Stocks		268,372	263,073
Trade debtors		156,533	222,120
Other debtors		12,234	7,846
Prepayments		6,990	4,056
Cash at bank		83,793	160,410
Cash in hand		-	312
		<u>527,922</u>	<u>657,817</u>
Creditors: amounts falling due within one year		<u>398,652</u>	<u>562,942</u>
Net Current Assets		129,270	94,875
		<u>143,292</u>	<u>144,143</u>
Provision for Liabilities and Charges			
Deferred taxation		-	1,503
		<u>143,292</u>	<u>142,640</u>
Capital and Reserves			
Called up share capital	3	50,000	50,000
Profit and loss account		93,292	92,640
Shareholders' Funds - equity interests		<u>143,292</u>	<u>142,640</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002). Approved by the Board on 18 February 2004

Directors:

X *J. Rodolph*
X *M. S. W. W.*

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2003****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	33% 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.

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.

JACOB JÜRGENSEN [UK] LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

[Continued]

YEAR ENDED 31 DECEMBER 2003

2 Tangible Fixed Assets

	Office Equipment £	Fixtures and Fittings £	Computer Equipment £	Computer Software £	Motor Vehicles £	Total £
Cost						
At 1 January 2003	9,591	357	16,543	3,163	39,400	69,054
Additions	1,400	-	3,254	3,350	-	8,004
Disposals	(815)	-	(2,995)	-	(39,400)	(43,210)
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At 31 December 2003	10,176	357	16,802	6,513	-	33,848
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation						
At 1 January 2003	3,907	66	8,276	2,961	4,576	19,786
Charge for the year	1,764	44	3,556	685	10,212	16,261
Eliminated on disposals	(465)	-	(968)	-	(14,788)	(16,221)
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At 31 December 2003	5,206	110	10,864	3,646	-	19,826
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Net Book Value						
At 31 December 2003	4,970	247	5,938	2,867	-	14,022
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At 31 December 2002	5,684	291	8,267	202	34,824	49,268
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JACOB JÜRGENSEN [UK] LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

[Continued]

YEAR ENDED 31 DECEMBER 2003

3	Called Up Share Capital	2003	2002
	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>

4 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.

5 Transactions with Related Parties

During the year, the company purchased goods and services from its parent company, Jacob Jürgensen Papier und Zellstoff GmbH at normal commercial terms to the value of £2,300,343 (2002 £3,125,915); the purchase ledger balance at 31 December 2003 amounted to £311,037 (2002 £454,344).

Included within *debtors* on the balance sheet is an amount of £4,207 (2002 £1,090) due from the director, Mr M Bausor. This amount represents the maximum amount outstanding during the year and was repaid in full after the year end.