



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 5, together with the financial statements of Jacob Jürgensen [UK] Limited, prepared under s226 of the Companies Act 1985 for the year ended 31 December 2000.

Respective Responsibilities of Directors and Auditors

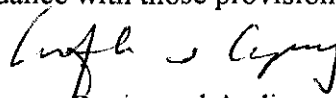
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of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


Registered Auditor

20 February 2001

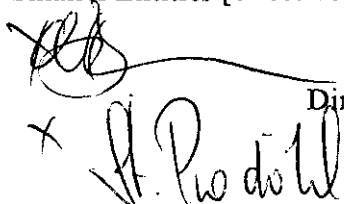
Chartered Accountants

JACOB JÜRGENSEN [UK] LIMITED

ABBREVIATED BALANCE SHEET - 31 DECEMBER 2000

		2000	1999
	Note	£	£
Tangible Fixed Assets	2	8,775	12,365
Current Assets			
Stocks		176,939	326,981
Trade debtors		250,489	202,444
Other debtors		9,241	8,716
Prepayments		3,762	10,531
Cash at bank		479,605	88,412
Cash in hand		603	643
		<u>920,639</u>	<u>637,727</u>
Creditors: amounts falling due within one year			
Trade creditors		862,168	472,183
Loan from parent company		16,000	16,000
Taxation and social security		23,513	29,990
Other creditors		12,983	12,963
Accruals		9,025	93,085
		<u>923,689</u>	<u>624,221</u>
Net Current (Liabilities)/Assets		(3,050)	13,506
		<u>5,725</u>	<u>25,871</u>
Capital and Reserves			
Called up share capital	3	50,000	46,870
Profit and loss account		(44,275)	(20,999)
Shareholders' Funds - equity interests		<u>5,725</u>	<u>25,871</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 March 2000]. Approved by the Board on 20 February 2001.

 Directors

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JACOB JÜRGENSEN [UK] LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

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

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 except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

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.

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****(Continued)****YEAR ENDED 31 DECEMBER 2000****2 Tangible Fixed Assets**

	Office Equipment	Fixtures and Fittings	Computer Equipment	Computer Software	Total
Cost	£	£	£	£	£
At 1 January 2000	3,875	105	8,977	2,289	15,246
Additions	90	-	110	620	820
Disposals	(101)	-	-	-	(101)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	3,864	105	9,087	2,909	15,965
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation					
At 1 January 2000	746	9	1,199	927	2,881
Charge for the year	784	14	2,247	1,277	4,322
Disposals	(13)	-	-	-	(13)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	1,517	23	3,446	2,204	7,190
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 31 December 2000	2,347	82	5,641	705	8,775
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	3,129	96	7,778	1,362	12,365
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JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****(Continued)****YEAR ENDED 31 DECEMBER 2000**

3	Called Up Share Capital	2000	1999
	Authorised	£	£
	50,000 ordinary shares of £1 each	50,000	50,000
		<hr/>	<hr/>
	Allotted, issued and fully paid		
	50,000 ordinary shares of £1 each	50,000	46,870
		<hr/>	<hr/>

During the year, 3,130 ordinary shares of £1 each were issued at par to provide additional working capital.

4 Controlling Party and Ultimate Holding Company

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

Messrs S Prodöhl, W Wroldsen, A Möller, A Franke and S Hüber by reason of their controlling interest in the shares of Jacob Jürgensen GmbH.

5 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 £2,064,116 (1999 £2,219,082); the purchase ledger balance at 31 December 2000 amounted to £818,448 (1999 £435,387).

The company sold goods to Jacob Jürgensen Papier und Zellstoff GmbH on normal commercial terms to the value of £133,740 (1999 £nil); the sales ledger balance at 31 December 2000 amounted to £31,764 (1999 £nil).

The company received a loan during the year ended 31 December 1999 from its parent company of £16,000, which amount was still outstanding at 31 December 1999 and 31 December 2000.

At 31 December 2000 the company owed £6,540 (1999 £3,713) to the director Mr M Bausor.