

Comp 25 Hues

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 section 226 of the Companies Act 1985 for the year ended 31 December 1999.

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.

Crowfoot and Company
Registered Auditor

13 March 2000

Chartered Accountants



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COMPANIES HOUSE

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JACOB JÜRGENSEN [UK] LIMITED**ABBREVIATED BALANCE SHEET - 31 DECEMBER 1999**

| | Note | £ | £ |
|---|------|----------|--------|
| Tangible Fixed Assets | 2 | | 12,365 |
| Current Assets | | | |
| Stocks | | 326,981 | |
| Debtors and prepayments | | 221,691 | |
| Cash in hand | | 643 | |
| | | <hr/> | |
| | | 637,727 | |
| | | <hr/> | |
| Creditors: amounts falling due within one year | | 624,221 | |
| | | <hr/> | |
| Net Current Assets | | | 13,506 |
| | | | <hr/> |
| | | | 25,871 |
| | | | <hr/> |
| Capital and Reserves | | | |
| Called up share capital | 3 | 46,870 | |
| Profit and loss account | | (20,999) | |
| | | <hr/> | |
| Shareholders' Funds - equity interests | | | 25,871 |
| | | | <hr/> |

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 1999]. Approved by the Board on 13 March 2000.

✓  Directors

✓ 

JACOB JÜRGENSEN [UK] LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

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, 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 1999****1 Accounting Policies [continued]****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.

2 Tangible Fixed Assets

| | Office Equipment | Fixtures and Fittings | Computer Equipment | Computer Software | Total |
|-------------------------------------|-----------------------------|--------------------------------------|-------------------------------|------------------------------|---------------|
| Cost | £ | £ | £ | £ | £ |
| Additions | 3,875 | 105 | 9,477 | 2,289 | 15,746 |
| Disposals | - | - | (500) | - | (500) |
| At 31 December 1999 | <u>3,875</u> | <u>105</u> | <u>8,977</u> | <u>2,289</u> | <u>15,246</u> |
| Accumulated Depreciation | | | | | |
| Charge for the year | 746 | 9 | 1,241 | 927 | 2,923 |
| Eliminated on disposals | - | - | (42) | - | (42) |
| At 31 December 1999 | <u>746</u> | <u>9</u> | <u>1,199</u> | <u>927</u> | <u>2,881</u> |
| Net Book Value | | | | | |
| At 31 December 1999 | <u>3,129</u> | <u>96</u> | <u>7,778</u> | <u>1,362</u> | <u>12,365</u> |

JACOB JÜRGENSEN [UK] LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****[Continued]****YEAR ENDED 31 DECEMBER 1999****3 Called Up Share Capital**

| Authorised | £ |
|--|----------|
| 50,000 ordinary shares of £1 each | 50,000 |
| | <hr/> |
| Allotted, issued and fully paid | |
| 46,870 ordinary shares of £1 each | 46,870 |
| | <hr/> |

During the period 46,870 ordinary shares were issued at par to provide the company's initial working capital.

4 Comparative Figures

As this is the company's first year of trading, there are no comparative figures.

5 Controlling Party and Ultimate Holding Company

The company is a subsidiary of Jacob Jürgensen Papier und Zellstoff GmbH and the ultimate holding company is Jacob Jürgensen GmbH, both of which companies are registered in Germany.

Messrs S Prodöhl, W Wroldsen, A Möller, A Franke and S Hüber each own 20% of the ultimate holding company and act together as the controlling party.

6 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 £2,219,082; the purchase ledger balance at 31 December 1999 amounted to £435,387. The company also received a loan during the year from its parent company of £16,000.

At 31 December 1999 the company owed £3,713 to the director Mr M Bausor.