

TREBRUK MARKETING LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 1995

(Registered Number 1756276)



TREBRUK MARKETING LIMITED
ANNUAL REPORT
31 DECEMBER 1995

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**TREBRUK MARKETING LIMITED
DIRECTORS' REPORT**

R N Bradshaw
L Larsson
D W Parker
S W P Scholes

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of marketing services in the United Kingdom for overseas manufacturers of paper.

REVIEW OF BUSINESS DEVELOPMENTS

Product prices rose in the first half of 1995 and weakened in the second half. Overall this price progression was beneficial for profitability. Increased volumes available from one of the company's principals should assist performance in the competitive market environment foreseen for 1996.

RESULTS AND DIVIDEND

The profit for the financial year after tax was £116,545. An interim dividend of £80,000 was paid in the year. The directors recommend the payment of a final dividend of £36,545, leaving £nil to be transferred to reserves.

DIRECTORS

The directors listed above have served throughout the year. O Grundberg resigned as a director on 21 December 1995.

None of the directors has had any interest which is required to be recorded in the register maintained by the company in accordance with Section 325 of the Companies Act 1985.

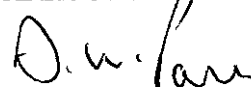
AUDITORS

A resolution to reappoint the joint auditors, Pannell Kerr Forster and Ernst & Young, will be proposed at the annual general meeting.

CHANGE OF NAME

The company changed its name from Trebruks Marketing Limited to Trebruk Marketing Limited on 21 February 1995.

BY ORDER OF THE BOARD



D W Parker
Secretary

26 March 1996

TREBRUK MARKETING 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
TREBRUK MARKETING LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

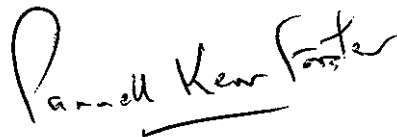
Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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 judgements 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

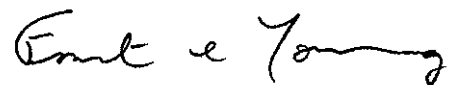
In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

Guildford

26 March 1996



ERNST & YOUNG
Chartered Accountants
Registered Auditors

London

28 March 1996

TREBRUK MARKETING LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
Turnover	2	1,079,779	849,700
Staff costs	3	(260,509)	(105,975)
Depreciation		(18,854)	-
Other operating costs		(614,152)	(640,380)
		<u>(893,515)</u>	<u>(746,355)</u>
Operating profit		186,264	103,345
Interest receivable		6,565	1,075
Profit on ordinary activities before taxation	5	192,829	104,420
Tax on profit on ordinary activities	6	(76,284)	(35,779)
Profit on ordinary activities after taxation		116,545	68,641
Dividends	7	(116,545)	(135,008)
Result/(deficit) for the year transferred to reserves	12	-	(66,367)


All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

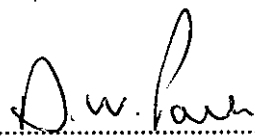
TREBRUK MARKETING LIMITED
BALANCE SHEET
31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible assets	8	69,653	-
CURRENT ASSETS			
Stock - finished goods		50,790	-
Debtors	9	287,401	332,247
Cash at bank and in hand		74,370	90,428
		<hr/>	<hr/>
		412,561	422,675
CREDITORS:			
Amounts falling due within one year	10	(472,962)	(422,575)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(60,401)	100
TOTAL ASSETS LESS		<hr/>	<hr/>
CURRENT LIABILITIES		9,252	100
CREDITORS:			
Amounts falling due after one year	10	(9,152)	-
		<hr/>	<hr/>
NET ASSETS		100	100
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	-	-
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	13	100	100
		<hr/>	<hr/>

Approved by the board on 26 March 1996



 S W P Scholes



 D W Parker

Directors

TREBRUK MARKETING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Basis of preparation

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

(b) Depreciation of fixed assets

Fixed assets are written off over their estimated useful lives in equal annual instalments.

The following principal rates of depreciation are used:

Computer, furniture and fittings	- 20%
Motor vehicles	- 25%

(c) Turnover

Turnover represents agency commission excluding value added tax and is recognised at the time of sale.

(d) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

(e) Finance and operating leases

Assets acquired under finance leases are treated as tangible fixed assets and depreciation is provided accordingly. The value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(f) Pensions

The expected cost of pensions in respect of the defined benefit scheme is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. Variations from the regular cost are spread over the expected remaining service lives of current employees in the scheme.

(g) Stocks

Stocks are stated at the lower of cost and net realisable value.

2 TURNOVER

Turnover arose from a single class of business wholly within the UK.

TREBRUK MARKETING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

3	STAFF COSTS	<u>1995</u> £	<u>1994</u> £
	Wages and salaries	221,195	88,078
	Social security costs	18,369	7,499
	Other pension costs	20,945	10,398
		<hr/>	<hr/>
		260,509	105,975
		<hr/>	<hr/>
		Number	Number
	The average weekly number of employees excluding directors employed by the company during the year was as follows:-		
	Sales and administration	10	9
		<hr/>	<hr/>
4	DIRECTORS' EMOLUMENTS	£	£
	Total emoluments for management including pension scheme contributions	64,837	46,580
		<hr/>	<hr/>
	Emoluments excluding pension scheme contributions:		
	Chairman	-	-
	Highest paid director	59,335	19,479
		<hr/>	<hr/>
	Other directors:	<u>Number</u>	<u>Number</u>
	0 - £5,000	3	3
	£5,001 - £10,000	-	1
	£15,001 - £20,000	-	1
		<hr/>	<hr/>
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	£	£
	The profit on ordinary activities before taxation is stated after charging the following:		
	Auditors' remuneration	4,000	2,500
	Operating lease rentals - other rentals	10,133	-
		<hr/>	<hr/>

TREBRUK MARKETING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

6	TAXATION		<u>1995</u> £	<u>1994</u> £
	Corporation tax on profit for the year at 33% (1994: 33%)		75,327	35,739
	Adjustment in respect of previous year		957	40
			<hr/>	<hr/>
			76,284	35,779
			<hr/>	<hr/>
7	DIVIDENDS			
	Interim dividend paid of £800 per share (1994: £600 per share).		80,000	60,000
	Final proposed dividend of £365.45 per share (1994: £750.08)		36,545	75,008
			<hr/>	<hr/>
			116,545	135,008
			<hr/>	<hr/>
8	TANGIBLE FIXED ASSETS			
		<u>Computer</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
	Cost			
	At 1 January 1995	-	-	-
	Additions	65,454	23,053	88,507
		<hr/>	<hr/>	<hr/>
	At 31 December 1995	65,454	23,053	88,507
		<hr/>	<hr/>	<hr/>
	Depreciation			
	At 1 January 1995	-	-	-
	Charge for the year	13,091	5,763	18,854
		<hr/>	<hr/>	<hr/>
	At 31 December 1995	13,091	5,763	18,854
		<hr/>	<hr/>	<hr/>
	Net book value			
	At 31 December 1995	52,363	17,290	69,653
		<hr/>	<hr/>	<hr/>
	At 31 December 1994	-	-	-
		<hr/>	<hr/>	<hr/>

The net book amount of motor vehicles included £17,290 (1994: £Nil) in respect of assets held under finance leases. Depreciation charged in the year on those assets amounted to £5,763 (1994: £Nil).

TREBRUK MARKETING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

9	DEBTORS	<u>1995</u>	<u>1994</u>
		£	£
	Due within one year:		
	Trade debtors	2,832	2,730
	Amounts owed by parent and fellow subsidiary undertakings	195,010	317,616
	Amounts owed by related undertakings	32	-
	Other taxation and social security	14,678	10,938
	ACT recoverable	47,888	-
	Other debtors	26,961	963
		<hr/>	<hr/>
		287,401	332,247
		<hr/>	<hr/>
10	CREDITORS		
	Amounts falling due within one year:		
	Trade creditors	17,891	13,723
	Amounts due to parent and fellow subsidiary undertakings	50,790	-
	Amounts due to related undertakings	3,600	139,228
	Loan from parent undertaking	104,000	-
	Loan from related undertaking	69,000	-
	Corporation tax	104,463	35,739
	Other taxation and social security	11,075	10,707
	Other creditors	27,667	106,376
	Accruals	42,703	41,794
	Lease obligations	5,228	-
	Proposed dividend	36,545	75,008
		<hr/>	<hr/>
		472,962	422,575
		<hr/>	<hr/>
	Amounts falling due after more than one year:		
	Lease obligations (falling due in one to two years)	9,152	-
		<hr/>	<hr/>
11	SHARE CAPITAL	£	
	Authorised:		
	Ordinary shares of £1 each	50,000	
		<hr/>	
	Allotted and fully paid:		
	Ordinary shares of £1 each	100	
		<hr/>	

There was no change in share capital during the year.

TREBRUK MARKETING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1995

12 PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 1995	-
Result for the year	-
	<hr/>
Balance at 31 December 1995	-
	<hr/>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the year	116,545	68,641
Dividend	(116,545)	(135,008)
	<hr/>	<hr/>
Net movement in/(deduction from) shareholders' funds	-	(66,367)
Opening shareholders' funds	100	66,467
	<hr/>	<hr/>
Closing shareholders' funds	100	100
	<hr/>	<hr/>

14 LEASE COMMITMENTS

Finance leases

The company had obligations under leases net of finance charges at the balance sheet date as follows:

Payable between two and five years	6,634	-
	<hr/>	<hr/>

Operating leases

The company had operating lease commitments to pay during the next year in respect of equipment leases:

Expiring between two and five years	28,493	-
	<hr/>	<hr/>

15 PENSIONS

The company participates in the Ekman Cleave Group scheme which is funded upon the advice of a professionally qualified actuary. The company's contributions are based upon pension costs across the Ekman Cleave group as a whole and particulars of the most recent valuation of the group scheme are contained in the financial statements of Ekman Cleave Group Limited. Employer contributions charged in the accounts were £20,945 (1994: £10,398) and were calculated in accordance with SSAP 24.

16 ULTIMATE PARENT UNDERTAKING

As a result of the ownership change during the year, the ultimate parent undertaking became Trebruk AB, a company incorporated in Sweden. A copy of the group accounts may be obtained from:-

Box 651
S-451 24 Uddevalla
Sweden