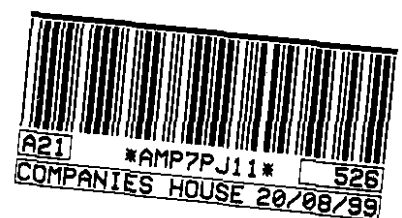


Thurgar Bolle Limited

Directors' report and financial statements

31 December 1998

Registered number 01009431



Thurgar Bolle Limited

Directors' report and financial statements

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Thurgar Bolle Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

Principal activities

The company's principal activities were the manufacture and distribution of plastic containers, and the sale of packaging products manufactured by other group companies.

Business review

On 31 December 1997, the assets and liabilities of the container moulding activity of the company was transferred to Superfos Packaging Limited. The remaining assets, liabilities and trade of the company was sold to a third party on 9 February 1998, since that date the company has not traded.

The results for the year are set out on page 5 of the financial statements.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The profit on ordinary activities after tax was £358,000.

Directors and directors' interests

The directors who held office during the year were as follows:

V Harris (resigned 22 January 1998)

N C Cole

J Damsgaard

NH Livesey

The directors have no beneficial interests in the share capital of the company. Any interests held by the directors in the share capital of the ultimate parent undertaking, Superfos a/s, are disclosed in the financial statements of that company.

Year 2000

The company has been actively pursuing a structured plan to assess any potential problems caused by the impact of the Year 2000. This has involved a full audit of all computer hardware and software applications within the company and investigations into all machines, processes and ancillary equipment that would affect the continued operations through the Year 2000 and beyond. All major customers and suppliers have been surveyed and their assurance has been sought that their operations will also be compliant.

The program is well advanced and final testing and completion of this project has been set for 30 September 1999. The costs incurred and the anticipated future costs are not expected to be significant.


Thurgar Bolle Limited

Directors' report *(continued)*

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

 20/6/99

N H Livesey
Director

Edison Road
Astmoor Industrial Estate
RUNCORN
Cheshire
WA7 1PY

Thurgar Bolle 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 for that year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



St James' Square
Manchester M2 6DS

Auditors' report to the members of Thurgar Bolle Limited

We have audited the financial statements on pages 5 to 16.

Respective responsibilities of directors and auditors

As described on page 3 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 issued by the Auditing Practices Board. 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 the company's affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Chartered Accountants
Registered Auditors

12/8/99

Thurgar Bolle Limited

Profit and loss account

for the year ended 31 December 1998

	Note	1998 £000	1997 £000
Turnover			
Continuing operations	2	-	6,058
Discontinued operations	2	151	1,686
		<u>151</u>	<u>7,744</u>
Change in stocks of finished goods and work in progress		(20)	(330)
Other operating income		-	23
Raw materials and consumables		(51)	(3,219)
Other external charges		(37)	(2,044)
Staff costs	5	(26)	(1,533)
Depreciation and other amounts written off fixed assets (1997 includes £925,000 exceptional depreciation)	3	(1)	(1,374)
		<u> </u>	<u> </u>
Operating profit/(loss)			
Continuing operations		-	(729)
Discontinuing operations		16	(4)
		<u>16</u>	<u>(733)</u>
Profit on sale of discontinued operations	2	374	-
Interest payable and similar charges	6	(1)	(97)
		<u>389</u>	<u>(830)</u>
Profit/(loss) on ordinary activities before taxation	3-6		
Tax on profit/(loss) on ordinary activities	7	(31)	(91)
		<u>358</u>	<u>(921)</u>
Retained profit/(loss) for the financial year			
Retained loss brought forward		(2,348)	(1,427)
		<u>(1,990)</u>	<u>(2,348)</u>

There is no difference between the profit/(loss) on ordinary activities before taxation and the surplus for the financial year presented above and the historical cost equivalent.

The company has no recognised gains or losses in either the current or preceding year other than those reported above and therefore no separate statement of total recognised gains and losses has been presented.

Thurgar Bolle Limited

Balance sheet

at 31 December 1998

	Note	1998 £000	1997 £000
Fixed assets			
Tangible assets	8	-	80
Current assets			
Stock	9	-	152
Debtors	10	2,184	1,594
Cash at bank and in hand		-	-
		<u>2,184</u>	<u>1,746</u>
Creditors: amounts falling due within one year		-	-
Net current assets		<u>2,184</u>	<u>1,746</u>
Total assets less current liabilities		<u>2,184</u>	<u>1,826</u>
Provisions for liabilities and charges		-	-
Net assets		<u>2,184</u>	<u>1,826</u>
Capital and reserves			
Called up share capital	11	4,000	4,000
Share premium account	12	174	174
Profit and loss account	12	(1,990)	(2,348)
Equity shareholders' funds		<u>2,184</u>	<u>1,826</u>

These financial statements were approved by the board of directors on 20-6-99 and were signed on its behalf by:

 20/6/99

N H Livesey
Director

Thurgar Bolle Limited

Reconciliation of movements in shareholders' funds *for the year ended 31 December 1998*

	1998 £000	1997 £000
Profit/(loss) for the financial year	358	(921)
Net addition to/(reduction in) shareholders' funds	358	(921)
Opening shareholders' funds	1,826	2,747
Closing shareholders' funds	2,184	1,826

Thurgar Bolle Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Cash flow statement

Under Financial Reporting Standard Number 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company within its own published consolidated financial statements.

Related party transactions

The directors have taken advantage of the exemption contained in Financial Reporting Standard Number 8, paragraph 3(c), and have not disclosed related party transactions with group companies.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery - 12½% - 33 1/3% per annum

No depreciation is provided on freehold land.

Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the company's pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contribution level is determined at 3 year intervals by valuations undertaken by a qualified actuary (see note 14).

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.

Thurgar Bolle Limited

Notes *(continued)*

1 **Accounting policies** *(continued)*

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the historic purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Thurgar Bolle Limited

Notes (continued)

2 Analysis of turnover and profit/(loss) on ordinary activities before taxation

The turnover and profit/(loss) on ordinary activities before taxation are wholly attributable to the company's main activity.

In both the current and preceding year the company made no material acquisitions. On 31 December 1997, the assets and liabilities of the container moulding activity of the company were transferred to the parent company, Superfos Packaging Limited, and the turnover and results arising from this activity are therefore disclosed as 'continuing operations'. The remaining assets, liabilities and trade were sold to a third party on 9 February 1998. This has therefore been disclosed as 'discontinued operations'.

	1998			1997		
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	Total £000
Turnover	-	151	151	6,058	1,686	7,744
Operating expenses						
Change in stocks of finished goods and work in progress	-	(20)	(20)	(355)	25	(330)
Other operating income	-	-	-	23	-	23
Raw materials and consumables	-	(51)	(51)	(2,515)	(704)	(3,219)
Other external charges	-	(37)	(37)	(1,615)	(429)	(2,044)
Staff costs	-	(26)	(26)	(1,139)	(394)	(1,533)
Depreciation and other amounts written off tangible fixed assets	-	(1)	(1)	(1,186)	(188)	(1,374)
Operating profit/(loss)	-	16	16	(729)	(4)	(733)

Profit on disposal of discontinued operation	1998 £000
Net sale proceeds	485
Net book value of net assets sold	(111)
Profit on sale	374

	1998 £000	1997 £000
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An analysis of turnover by geographical market is set out below:

United Kingdom	151	7,173
Rest of the world	-	571
	151	7,744

Thurgar Bolle Limited

Notes (continued)

3 Profit/(loss) on ordinary activities before taxation

	1998 £000	1997 £000
<i>Profit/(loss) on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration:		
Audit	2	9
Other services	1	1
Depreciation	1	449
Depreciation and other amounts written off tangible fixed assets - exceptional	-	925
Hire of other assets - rentals payable under operating leases	-	21
Property rentals	-	23
	<u> </u>	<u> </u>
<i>after crediting</i>		
Profit on sale of tangible fixed assets	-	25
	<u> </u>	<u> </u>

4 Remuneration of directors

	1998 £000	1997 £000
Directors' emoluments:		
Remuneration	-	100
Pension contributions	-	8
	<u> </u>	<u> </u>
	-	108
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits are accruing under defined benefit pension scheme is 0 (1997:0).

Thurgar Bolle Limited

Notes *(continued)*

5 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	1998	1997
Office and management	3	8
Manufacturing	2	80
	<u>5</u>	<u>88</u>
	<u><u>5</u></u>	<u><u>88</u></u>

The aggregate payroll costs of these persons were as follows:

	1998	1997
	£000	£000
Wages and salaries	24	1,358
Social security costs	2	122
Other pension costs (see note 14)	-	53
	<u>26</u>	<u>1,533</u>
	<u><u>26</u></u>	<u><u>1,533</u></u>

6 Interest payable and similar charges

	1998	1997
	£000	£000
On bank loans and overdrafts wholly repayable within five years	-	7
On other loans wholly repayable within five years	1	90
	<u>1</u>	<u>97</u>
	<u><u>1</u></u>	<u><u>97</u></u>

Of the above amount £1,000 (1997: £90,000) was payable to group undertakings.

Thurgar Bolle Limited

Notes (continued)

7 Taxation

	1998 £000	1997 £000
UK corporation tax at 31% (1997:31.5%) on the profit/(loss) for the year on ordinary activities	31	93
Deferred taxation	-	(2)
	<u>31</u>	<u>91</u>

The tax charge for the current year is low due to the low effective tax rate on the profit arising from the disposal of the discontinued operation.

The corporation tax liability for 1997 was increased due to the exceptional depreciation of fixed assets of £925,000.

8 Tangible fixed assets

	Plant and machinery £000
Cost or valuation	
At beginning of year	474
Disposals	(474)
At end of year	<u>-</u>
Depreciation	
At beginning of year	394
Charge for year	1
On disposals	(395)
At end of year	<u>-</u>
Net book value	
At 31 December 1998	<u>-</u>
At 31 December 1997	<u>80</u>

Thurgar Bolle Limited

Notes (continued)

9 Stock

	1998 £000	1997 £000
Raw materials and consumables	-	57
Finished goods and goods for resale	-	95
	<u>-</u>	<u>152</u>
	<u><u>-</u></u>	<u><u>152</u></u>

10 Debtors

	1998 £000	1997 £000
Amounts owed by parent undertaking	2,184	1,594
	<u>2,184</u>	<u>1,594</u>
	<u><u>2,184</u></u>	<u><u>1,594</u></u>

All amounts are due within one year.

11 Called up share capital

	1998 £000	1997 £000
<i>Authorised</i>		
4,000,000 ordinary shares of £1 each	4,000	4,000
	<u>4,000</u>	<u>4,000</u>
<i>Allotted, called up and fully paid</i>		
4,000,000 ordinary shares of £1 each	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

12 Reserves

	Share premium account £000	Profit and loss account £000
At beginning of the year	174	(2,348)
Profit for the year	-	358
	<u>174</u>	<u>(1,990)</u>
At end of the year	<u><u>174</u></u>	<u><u>(1,990)</u></u>

Thurgar Bolle Limited

Notes (continued)

13 Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made were as follows:

	1998 £000	1997 £000
Authorised and contracted for	-	-
Authorised but not contracted for	-	-
	<u> </u>	<u> </u>

- (ii) Annual commitments under non-cancellable operating leases are as follows:

	Other 1998 £000	Land and Building 1998 £000	Other 1997 £000	Land and Building 1997 £000
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	-	-	-	18
Greater than five years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	-	18
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Pension scheme

The company participates in the Superfos Packaging Limited Pension Fund ("SPF"). This is a final salary occupational pension scheme. The scheme's assets are held in a trustee administered fund separate from the company's finances.

Contributions to the SPF are charged to the profit and loss account so as to spread the cost of the pensions over employees' working lives with the company. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent actuarial valuation of the scheme was carried out as at 31 March 1998 and showed that the market value of scheme assets was £2,351,000 representing 113% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the actuarial valuation are those relating to the rate of return on investments and the rates of increase in earnings, pensions and equity dividends. It was assumed that future investment returns would average 8.5 per cent per annum, that earnings increases would average 7 per cent per annum, and that pensions would increase at the rate of 4.5 per cent per annum on pensions in excess of the guaranteed minimum pension. Dividends from equities were assumed to increase by 5 per cent per annum.

The pension cost for the period was £nil (1997: £53,000). There were no prepaid or accrued contributions at the year end.

Thurgar Bolle Limited

Notes *(continued)*

15 **Ultimate parent company and parent undertaking of larger group of which the company is a member**

The parent company of Thurgar Bolle Limited is Superfos Packaging Limited, a company incorporated in England and Wales.

The ultimate parent company of Thurgar Bolle Limited is Superfos a/s, a company incorporated in Denmark and quoted on the Danish stock-exchange.

The largest and smallest group into which these accounts are consolidated is that headed by Superfos a/s. Copies of these consolidated accounts may be obtained from Frydenlundsvej 30, 2950 Vedbaek, Denmark.