

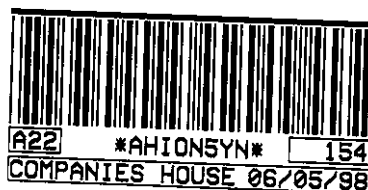
Registrars Copy

YARE PACKAGING LIMITED

Annual report

for the year ended 31 December 1997

Registered no: ~~2584688~~ 2212033



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YARE PACKAGING LIMITED

Annual report for the year ended 31 December 1997

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Directors and advisers

Executive directors

Chairman

Mrs P M E McCarrick-Wood

Managing Director

A A Barnes Esq

Secretary and registered office

A A Barnes Esq
The Atrium
St Georges Street
Norwich
NR3 1AG

Registered Auditors

Coopers & Lybrand
The Atrium
St Georges Street
Norwich
NR3 1AG

Solicitors

Mears Hobbs & Durrant
92 High Street
Gorleston
Great Yarmouth
NR31 6RH

Bankers

Midland Bank PLC
21 Hall Quay
Great Yarmouth
Norfolk
NR30 1HN

**Report of the directors
for the year ended 31 December 1997**

The directors presents their report and the audited financial statements for the year ended 31 December 1997.

Principal activities and review of business

The profit and loss account for the year is set out on page 5.

The principal activity of the company is that of a holding company. The year end financial position was satisfactory.

Dividends

The directors have declared and paid a final dividend on the ordinary shares of £15,004 (1996: £15,828).

Directors

Mrs P M E McCarrick-Wood and Mr A A Barnes were directors for the whole of the year ended 31 December 1997.

Directors' interests in shares of the Company**Interest in shares**

The directors have no interests in the shares of the company. Mrs P M E McCarrick-Wood's interest in the shares of the company's ultimate holding company, Flametone Limited, are disclosed in the director's report of that company.

Interest in share options and shares in Flametone Limited

Mr A A Barnes who is not a director of Flametone Limited was granted 1,715 shares in Flametone Limited on 17 January 1994. Since the year end Mr A A Barnes, in consideration for the surrender of his existing option to subscribe for ordinary shares in the company, was issued 1,715 Class A redeemable shares in Flametone Limited.

Taxation status

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.


Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



A A Barnes
Company Secretary

28 April 1998

Report of the auditors to the members of

Yare Packaging Limited

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of the directors and auditors

As described on page 3 the 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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors

Norwich

29 April 1998

Profit and loss account for the year ended 31 December 1997

	Notes	1997 £	1996 £
Turnover	2	33,905	35,773
Operating expenses		-	-
Operating profit		33,905	35,773
Interest payable and similar charges	5	18,901	19,945
Profit on ordinary activities before taxation		15,004	15,828
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		15,004	15,828
Dividends	11	15,004	15,828
Result for the year		-	-

Statement of retained profits

Retained profits at 1 January 1997	1,562	1,562
Result for the year	-	-
Retained profits at 31 December 1997	1,562	1,562

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the result for the year stated above, and their historical cost equivalents.

The activities and result for the year arise on continuing operations.

Balance sheet at 31 December 1997

	Notes	1997 £	1996 £
Fixed assets			
Investments	7	607,550	607,550
 Creditors: amounts falling due within one year	8	<u>(32,259)</u>	<u>(29,196)</u>
Total assets less current liabilities		575,291	578,354
 Creditors: amounts falling due after more than one year	9	<u>(563,729)</u>	<u>(566,792)</u>
Net assets		<u>11,562</u>	<u>11,562</u>
 Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account		<u>1,562</u>	<u>1,562</u>
 Equity shareholders' funds	13	<u>11,562</u>	<u>11,562</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 28 April 1998 and were signed on its behalf by:

P. M. McCarrick-Wood

P M E McCarrick-Wood
Director

Notes to the financial statements for the year ended 31 December 1997

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Consolidation

The company has taken advantage of the legal dispensation allowing it not to prepare group financial statements as it was a wholly owned subsidiary of another company incorporated in the United Kingdom at the end of the accounting year.

Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2 Turnover

Turnover, which excludes value added tax, represents dividends receivable from group companies. All turnover arose in the United Kingdom.

3 Directors' emoluments

All directors' emoluments were paid by Great Yarmouth Cardboard Box Company Limited. The total amounts paid are as follows:

	1997 £	1996 £
Aggregate emoluments	257,347	577,053
Company pension contributions to money purchase schemes	20,000	13,000
	<u>277,347</u>	<u>590,053</u>
Highest paid director:		
	1997 £	1996 £
Aggregate emoluments	136,273	470,090
Company pension contributions to money purchase schemes	10,000	6,500
	<u>146,273</u>	<u>476,590</u>

4 Employee information

The average monthly number of persons employed by the company including executive directors during the year is analysed below:

	1997	1996
Administration	<u>2</u>	<u>2</u>

No employees received any remuneration from the company (1996: Nil).

5 Interest payable and similar charges

Interest payable on sums:

	1997 £	1996 £
Repayable wholly or partly in more than 5 years	<u>18,901</u>	<u>19,945</u>

6 Taxation

No corporation tax charge arises as all the dividend income receivable in the current year has been received under a group income election and therefore falls outside the scope of corporation tax. The unrelieved charges of £18,902 will be group relieved for no consideration.

7 Fixed asset investments

	Interests in group undertakings	
	1997 £	1996 £
Interests in group undertakings	<u>607,550</u>	<u>607,550</u>

Shares in group undertakings comprise the cost of investments in subsidiary undertakings. There has been no movement in the investments during the year and no amounts have been written off in respect of them.

Details of the subsidiary undertakings are as follows:-

Name of company	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Great Yarmouth Cardboard Box Company Limited	Ordinary shares of £1 each	100%	Manufacture of cardboard boxes and allied products
	3.5% preference shares of £1 each	100%	

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Great Yarmouth Cardboard Box Company Limited	Ordinary shares of £1 each	100%	Manufacture of cardboard boxes and allied products
	3.5% preference shares of £1 each	100%	

The above subsidiary company is incorporated in England and Wales and operates from within the United Kingdom.

8 Creditors: amounts falling due within one year

	1997	1996
	£	£
Bank overdraft (see note 12)	29	4,771
Bank loan (see note 9)	32,230	24,425
	<u>32,259</u>	<u>29,196</u>

9 Creditors: amounts falling due after more than one year

	1997	1996
	£	£
Amounts owed to group undertakings (see note 14)	386,013	357,225
Bank loan	177,716	209,567
	<u>563,729</u>	<u>566,792</u>

The bank loan is repayable in monthly instalments expiring in June 2003. Interest is charged at 2% over Midland Bank Plc base rate, secured by fixed and floating charges over the assets of the group. The loan is repayable as follows:

	1997	1996
	£	£
In one year or less	32,230	24,425
Between one and two years	35,179	32,230
Between two and five years	123,236	114,387
After more than five years	19,301	62,950
	<u>209,946</u>	<u>233,992</u>

10 Called up share capital

	Ordinary shares of £1 each	
	1997	1996
Authorised - value	£10,000	£10,000
- number	10,000	10,000
Allotted, called up and fully paid		
- value	£10,000	£10,000
- number	10,000	10,000

11 Dividends

	1997	1996
	£	£
Ordinary final paid of £1.5004 per share (1996: £1.5828)	15,004	15,828

12 Contingent liabilities

There are contingent liabilities in respect of the following:-

The company must honour any payments made to H M Customs and Excise under the terms of the group value added tax registration arrangements.

Under the terms of the group's banking arrangements, interest payable on overdrafts is set off against interest credited on any current account balances held within the group and mutual set off exists in respect of bank balances (excluding loans). The Company has guaranteed the loans and overdrafts of other group companies less any cash held at bank which at 31 December 1997 amounted to £191,543 (1996: £200,774).

The group's loans and overdrafts are secured by fixed and floating charges over the assets of the group.

13 Reconciliation of movements in shareholders' funds

	1997	1996
	£	£
Result for the financial year	-	-
Opening shareholders' funds	11,562	11,562
Closing shareholders' funds	11,562	11,562

14 Related party disclosures

Transactions during the year with group companies are as follows:

Great Yarmouth Cardboard Box Company Limited

	1997 £	1996 £
Balance at 1 January 1997	281,301	284,816
Cash transfers	47,739	32,327
Other transfers	(50)	(69)
Dividends received	(33,905)	(35,773)
Balance at 31 December 1997	295,085	281,301

Flametone Limited

	1997 £	1996 £
Balance at 1 January 1997	75,924	60,096
Dividends paid	15,004	15,828
Balance at 31 December 1997	90,928	75,924

The above balances represent the amounts owed to Great Yarmouth Cardboard Box Company Limited and Flametone Limited.

The directors have taken exemption from preparing group accounts conferred by Section 248 Companies Act 1985 and therefore the year end balances together with the transactions undertaken during the year with other group companies are disclosed above as required by Financial Reporting Standard No 8.

15 Ultimate holding company

The directors regard Flametone Limited, a company registered in England and Wales, as the ultimate parent company. According to the registers kept by the company, Flametone Limited has a 100% interest in the equity capital of Yare Packaging Limited at 31 December 1997. The financial statements of Flametone Limited can be obtained from The Registrar, Companies House, Crown Way, Cardiff CF4 3UZ.

16 Financial assistance

On 17 April 1991 the Company was acquired by Flametone Limited. The company and its subsidiary, Great Yarmouth Cardboard Box Company Limited, provided financial assistance to Flametone Limited for the acquisition of all the shares in Yare Packaging Limited. The financial assistance was given in the form of guarantees against loans and overdrafts as disclosed in notes 9 and 12.

17 Ultimate controlling party

Mrs P M E McCarrick-Wood is considered to have ultimate control over Yare Packaging Limited and other companies within the group.