

Registration number 3118387

Treofan UK Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2011

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street
Bristol
BS1 5QD



Treofan UK Limited
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The following pages do not form part of the statutory financial statements

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Treofan UK Limited
Company Information

Directors	Mr N C Ashworth Mr C Ranucci Mr G Canetta
Company secretary	Mr W R Davies
Registered office	Vallon House Vantage Office Court Old Gloucester Road Hambrook Bristol BS16 1FX
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 31 Great George Street Bristol BS1 5QD

Treofan UK Limited
Directors' Report for the Year Ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Directors of the company

The directors who held office during the year were as follows

Mr N C Ashworth

Mr C Ranucci (resigned 31 July 2011)

Mr G Canetta (appointed 10 August 2011)

Principal activity

The principal activity of the company is the UK sales and marketing agency for bi-axially oriented polypropylene (BOPP) film manufactured by other Treofan group companies

Business review

Fair review of the business

The company's activities during the financial year have not changed since the previous year and are not expected to change significantly for the foreseeable future. The company's turnover is based on the costs incurred during the year plus 1% of the United Kingdom sales generated by the Treofan group. During 2008 the directors took the decision to close the office premises and to reduce the number of staff with the remaining staff working from home. The costs incurred during 2010 and 2011 relating to this decision have been charged to the restructuring provision and to exceptional costs.

The company's key financial and other performance indicators during the year were as follows

	Unit	2011	2010
Turnover	£'000	763	786
Profit before tax	£'000	403	486

Principal risks and uncertainties

The company derives its income from other group companies and its future is dependent on the success of the group as a whole. The Treofan group has undertaken significant restructuring over the past few years, focusing its strategy, reducing costs and financial leverage, increasing liquidity, growing its specialty product lines, and investing in new capacity for continued growth.

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The company does not have exposure to price, credit or cash flow risks in that its sales are invoiced to its holding company. The group operates a cash pooling arrangement whereby the funds required for the day to day operations of the company are made available.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

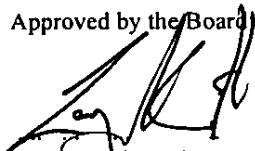
Treofan UK Limited
Directors' Report for the Year Ended 31 December 2011

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Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Approved by the Board on 14 June 2012 and signed on its behalf by



Mr N C Ashworth
Director

Treofan UK Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent Auditor's Report to the Members of Treofan UK Limited

We have audited the financial statements of Treofan UK Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

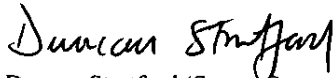
**Independent Auditor's Report to the Members of
Treofan UK Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Duncan Stratford (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors

31 Great George Street
Bristol
BS1 5QD

14 June 2012

Treofan UK Limited
Profit and Loss Account for the Year Ended 31 December 2011

	Note	2011 £ 000	2010 £ 000
Turnover		763	786
Distribution costs		(434)	(454)
Administrative expenses		<u>(53)</u>	<u>(47)</u>
Operating profit	2	276	285
Exceptional costs of reorganisation and restructuring	3	(55)	(15)
Other interest receivable and similar income	6	<u>182</u>	<u>216</u>
Profit on ordinary activities before taxation		403	486
Tax on profit on ordinary activities	7	<u>(98)</u>	<u>(113)</u>
Profit for the financial year	13	<u><u>305</u></u>	<u><u>373</u></u>

Turnover and operating profit derive wholly from continuing operations

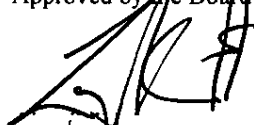
The company has no recognised gains or losses for the year other than the results above, and therefore no separate statement of total recognised gains and losses has been presented

Treofan UK Limited
(Registration number: 3118387)
Balance Sheet at 31 December 2011

	Note	2011 £ 000	2010 £ 000
Current assets			
Debtors	9	4,675	4,391
Cash at bank and in hand		<u>55</u>	<u>76</u>
		4,730	4,467
Creditors Amounts falling due within one year	10	<u>(65)</u>	<u>(86)</u>
Total assets less current liabilities		4,665	4,381
Provisions for liabilities	11	<u>-</u>	<u>(21)</u>
Net assets		<u>4,665</u>	<u>4,360</u>
Capital and reserves			
Called up share capital	12	11,000	11,000
Share premium account	13	4,360	4,360
Other reserves	13	28,500	28,500
Profit and loss account	13	<u>(39,195)</u>	<u>(39,500)</u>
Total shareholders' funds	14	<u>4,665</u>	<u>4,360</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 14 June 2012 and signed on its behalf by


Mr N/C Ashworth
Director

Treofan UK Limited
Notes to the Financial Statements for the Year Ended 31 December 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. Accounting policies have been consistently applied.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

The financial statements have been prepared on a going concern basis.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied. This is based on the costs incurred by the company plus a mark up based on the value of UK sales generated.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction or the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account in the period in which they arise.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

2 Operating profit

Operating profit is stated after charging

	2011 £ 000	2010 £ 000
Operating leases - other assets	26	24
Auditor's remuneration - The audit of the company's annual accounts	<u>9</u>	<u>10</u>

3 Exceptional items

	2011 £ 000	2010 £ 000
Reorganisation or restructuring	<u>55</u>	<u>15</u>

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

4 Particulars of employees

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

	2011 No	2010 No
Distribution	<u>5</u>	<u>5</u>

The aggregate payroll costs were as follows

	2011 £ 000	2010 £ 000
Wages and salaries	260	253
Social security costs	32	31
Staff pensions	<u>39</u>	<u>38</u>
	<u>331</u>	<u>322</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2011 £ 000	2010 £ 000
Remuneration (including benefits in kind and money purchase pension scheme contributions)	<u>81</u>	<u>79</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2011 No.	2010 No
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

6 Other interest receivable and similar income

	2011 £ 000	2010 £ 000
Other interest receivable	<u>182</u>	<u>216</u>

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

7 Taxation

Tax on profit on ordinary activities

	2011 £ 000	2010 £ 000
Current tax		
Corporation tax charge	83	101
Deferred tax		
Origination and reversal of timing differences	15	12
Total tax on profit on ordinary activities	<u>98</u>	<u>113</u>

Factors affecting current tax charge for the year

The tax assessed for the year is lower (2010 - lower) than the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)

The differences are reconciled below

	2011 £ 000	2010 £ 000
Profit on ordinary activities before taxation	<u>403</u>	<u>486</u>
Corporation tax at standard rate	107	136
Accelerated capital allowances	(24)	(30)
Expenses not deductible for tax purposes	-	1
Provisions tax relief	-	(6)
Total current tax	<u>83</u>	<u>101</u>

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

8 Tangible fixed assets

	Plant and machinery £ 000	Total £ 000
Cost or valuation		
At 1 January 2011	30	30
Depreciation		
At 1 January 2011	30	30
Net book value		
At 31 December 2011	-	-
At 31 December 2010	-	-

9 Debtors

	2011 £ 000	2010 £ 000
Deferred tax	28	43
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,624	4,329
Other debtors	23	19
	<u>4,675</u>	<u>4,391</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£ 000
At 1 January 2011	43
Deferred tax charged to the profit and loss account	(15)
At 31 December 2011	<u>28</u>

Analysis of deferred tax

	2011 £ 000	2010 £ 000
Difference between accumulated depreciation and amortisation and capital allowances	28	43
	<u>28</u>	<u>43</u>

Excess of capital allowances over depreciation

The amount not recognised in the period was £64,000 (31 December 2010 - £81,000)

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

The amount of deferred tax recognised as an asset has been restricted to two years recoverability on the grounds that estimation of profits beyond that time is not prudent

An element of the deferred tax asset recognised will be recoverable within one year The amount that may be payable/(recoverable) is (£16,000) (31 December 2010 - (£23,000))

10 Creditors. Amounts falling due within one year

	2011 £ 000	2010 £ 000
Amounts owed to group undertakings and undertakings in which the company has a participating interest	8	7
Corporation tax	35	51
Other taxes and social security	11	13
Other creditors	11	15
	<u>65</u>	<u>86</u>

11 Provisions

	Other provision £ 000	Total £ 000
At 1 January 2011	21	21
Utilised during the year	(21)	(21)
At 31 December 2011	<u>-</u>	<u>-</u>

12 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No 000	£ 000	No. 000	£ 000
Ordinary of £1 each	4,000	4,000	4,000	4,000
Preference of £1 each	7,000	7,000	7,000	7,000
	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

13 Reserves

	Share premium account £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2011	4,360	28,500	(39,500)	(6,640)
Profit for the year	-	-	305	305
At 31 December 2011	<u>4,360</u>	<u>28,500</u>	<u>(39,195)</u>	<u>(6,335)</u>

14 Reconciliation of movement in shareholders' funds

	2011 £ 000	2010 £ 000
Profit attributable to the members of the company	305	373
Net addition to shareholders' funds	305	373
Shareholders' funds at 1 January	4,360	3,987
Shareholders' funds at 31 December	<u>4,665</u>	<u>4,360</u>

Treofan UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

15 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £'000 £39 (2010 - £38)

Contributions totalling £'000 £nil (2010 - £nil) were payable to the scheme at the end of the year and are included in creditors

16 Commitments

Operating lease commitments

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £ 000	2010 £ 000
Other		
Within one year	-	1
Within two and five years	28	15
	<u>28</u>	<u>16</u>

17 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

18 Control

The company's parent company is Trespaphan Holdings GmbH, a company incorporated in Germany, of which it is a wholly owned subsidiary. This company in turn is a wholly owned subsidiary of Treofan Holdings GmbH, a company incorporated in Germany. The address at which copies of their financial statements can be obtained is Am Prime Parc 17, 65479 Raunheim, Germany.

In September 2009, the Treofan Group completed a financial restructuring, which among other measures included the exchange of approx €168 million of debt for equity. As a result of the financial restructuring the shares of Treofan Film International B.V. in Treofan Holdings GmbH were diluted to 8.57% and the remaining 91.43% are held by former holders of the second lien notes. There is no overall controlling entity.

Treofan UK Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2011

	2011		2010
	£ 000	£ 000	£ 000
Turnover (analysed below)		763	786
Distribution costs (analysed below)		(434)	(454)
Administrative expenses			
Establishment costs (analysed below)	16		15
General administrative expenses (analysed below)	36		31
Finance charges (analysed below)	<u>1</u>		<u>1</u>
		<u>(53)</u>	<u>(47)</u>
Operating profit		276	285
Non-operating exceptional items			
Costs of reorganisation and restructuring (analysed below)		(55)	(15)
Other interest receivable and similar income (analysed below)		<u>182</u>	<u>216</u>
Profit on ordinary activities before taxation		<u><u>403</u></u>	<u><u>486</u></u>

Treofan UK Limited
Detailed Profit and Loss Account for the Year Ended 31 December 2011

	2011 £ 000	2010 £ 000
Turnover		
Sales - Europe	763	786
	<u>763</u>	<u>786</u>
Distribution costs		
Wages and salaries	190	193
Staff NIC (Employers)	25	23
Directors remuneration	64	63
Directors NIC (Employers)	7	8
Staff pensions (Defined contribution)	30	29
Directors pensions (Defined contribution)	9	9
Private health insurance	8	8
Staff bonuses	6	(3)
Lease of motor vehicles (Operating leases)	26	24
Motor expenses	8	8
Travel & subsistence	55	70
Sundry expenses	6	22
	<u>434</u>	<u>454</u>

Treofan UK Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2011

..... *continued*

	2011 £ 000	2010 £ 000
Establishment costs		
Insurance	<u>16</u>	<u>15</u>
General administrative expenses		
Telephone and fax	7	-
Auditor's remuneration - The audit of the company's annual accounts	9	10
Legal and professional fees	<u>20</u>	<u>21</u>
	<u>36</u>	<u>31</u>
Finance charges		
Bank charges	<u>1</u>	<u>1</u>
Exceptional profit/(loss) on reorganisation and restructuring		
Redundancy costs	55	-
Exceptional costs on reorganisation and restructuring - discontinued operations	<u>-</u>	<u>15</u>
	<u>55</u>	<u>15</u>
Other interest receivable and similar income		
Other interest receivable	<u>182</u>	<u>216</u>
	<u>182</u>	<u>216</u>