

Xtrapack Limited

**Directors' report and financial
statements**

Registered number 03872127

31 December 2007



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007.

Business review and principal activities

The Company is a subsidiary of International Group Limited and operates as part of International Group Limited's packaging division.

The Company's principal activity is the licence of patented closure technology world-wide. There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not, at the date of this report, aware of any likely major changes in the Company's activities in the next year.

The packaging division of which the Company is a part invests in research and development activities appropriate to the nature and size of its operations with the aim of supporting the future development of the Company, as a part of the division, in the medium to long-term future. This research and development activity has resulted in a number of updates to existing products.

As shown in the Company's profit and loss account on page 6, the Company did not have any sales and is reporting a loss after tax of £116k. The balance sheet on page 7 of the financial statements shows that the Company's financial position at the year-end and is consistent with the prior year

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

International Group Limited manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the packaging division of International Group Limited, which includes the company, is discussed in International Group Limited's Annual Report which does not form part of this Report.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Directors' report *(continued)*

Proposed dividend

The directors do not recommend the payment of a dividend (2006: *£nil*).

Directors

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

RM King
HM King
CM King
SC Joy
D MacNair

Political and charitable contributions

The company made no political or charitable contributions during the year (2006: *£nil*).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

H.M. King
HM King
Director

Stoke Park
Park Road
Stoke Poges
Bucks SL2 4PG

22nd December 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.



KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Independent auditors' report to the members of Xtrapack Limited

We have audited the financial statements of Xtrapack Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Xtrapack Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

7 JAN 2008

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Turnover	2	-	-
Cost of sales		(114)	(163)
		<hr/>	<hr/>
Gross loss		(114)	(163)
Administrative expenses		(9)	(3)
		<hr/>	<hr/>
Operating loss		(123)	(166)
Other interest receivable and similar income	5	7	17
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(116)	(149)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation and loss for the financial year		(116)	(149)
		<hr/> <hr/>	<hr/> <hr/>

The results for the current and preceding years were derived from continuing operations.

There are no recognised gains or losses during the current or preceding year other than those reflected in the profit and loss account.

Balance sheet
at 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Current assets			
Debtors	7	1,714	1,717
Cash at bank and in hand		155	277
		<u>1,869</u>	<u>1,994</u>
Creditors: amounts falling due within one year	8	(13)	(22)
Net assets		<u>1,856</u>	<u>1,972</u>
Capital and reserves			
Called up share capital	10	-	-
Share premium account	12	774	774
Profit and loss account	12	943	1,059
Capital contribution reserve	12	139	139
Shareholder's funds	11	<u>1,856</u>	<u>1,972</u>

These financial statements were approved by the board of directors on *22nd Dec 2008* and were signed on its behalf by:

H.M. King
HM King
Director

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 financial statements.

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

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.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers together with other fees received in respect of service contracts. Turnover is recognised when goods and services have been supplied to and accepted by the company's clients.

Financial guarantee contracts

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2 Segmental information

In the opinion of the directors, turnover and the profit on ordinary activities before tax arose in the same class of business and geographical market.

Notes (continued)

3 Loss on ordinary activities before taxation

	2007 £000	2006 £000
<i>Loss on ordinary activities before tax is stated after charging:</i>		
Audit of these financial statements	3	3
	<u>3</u>	<u>3</u>

4 Remuneration of directors and employees

None of the directors received any emoluments for their services to the company during the year (2006: *£nil*).

The company has no employees other than the directors (2006: *none*).

5 Other interest receivable and similar income

	2007 £000	2006 £000
Bank interest receivable	7	17
	<u>7</u>	<u>17</u>

6 Taxation

Analysis of charge in year

	2007 £000	2006 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<u>-</u>	<u>-</u>
Total current tax and tax on loss on ordinary activities	-	-
	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2006: *higher*) than the standard rate of corporation tax in the UK (30%, 2006: 30%). The differences are explained below:

	2007 £000	2006 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(116)	(149)
	<u>(116)</u>	<u>(149)</u>
Current tax at 30% (2006: 30%)	(35)	(45)
	<u>(35)</u>	<u>(45)</u>
<i>Effects of:</i>		
Other short term timing differences	-	3
Increase in unprovided deferred tax asset in respect of current year tax losses	35	42
	<u>35</u>	<u>42</u>
Total current tax charge (see above)	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

7 Debtors

	2007 £000	2006 £000
Amounts owed by group undertakings	1,371	1,371
Amounts owed by related parties	342	342
Other debtor	1	4
	<u>1,714</u>	<u>1,717</u>

8 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	1	22
Amounts owed to group undertakings	-	-
Amounts owed to related parties	-	-
Taxation	-	-
Accruals and deferred income	12	-
	<u>13</u>	<u>22</u>

9 Deferred taxation

A deferred tax asset of £72,000 (2006: £42,000) has arisen. The directors do not feel that it is appropriate to recognise this deferred tax asset in the light of current trading conditions. The elements of deferred taxation are as follows:

	2007 £000	2006 £000
Tax losses	72	42
Undiscounted deferred tax asset	<u>72</u>	<u>42</u>

As a result of the change in the corporation tax rate from 30% to 28% enacted by the House of Commons on 27 June 2007, deferred tax balances that are expected to reverse after 1 April 2008 have been calculated at 28%.

Notes (continued)

10 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
90,000 'A' class ordinary shares of £1 each	90,000	90,000
210,000 'B' class ordinary shares of £1 each	210,000	210,000
	<hr/> 300,000	<hr/> 300,000
<i>Allotted, called up and fully paid</i>		
30 'A' class ordinary shares of £1 each	30	30
70 'B' class ordinary shares of £1 each	70	70
	<hr/> 100	<hr/> 100
Shares classified in shareholder's funds	<hr/> <hr/> 100	<hr/> <hr/> 100

'A' shareholders can only appoint and remove 'A' directors and 'B' shareholders can only appoint and remove 'B' directors. In all other respects the shares rank pari passu.

11 Reconciliation of movement in shareholder's funds

	2007 £000	2006 £000
Loss for the financial year	(116)	(149)
Net reduction in shareholder's funds	(116)	(149)
Opening shareholder's funds	1,972	2,121
Closing shareholder's funds	<hr/> <hr/> 1,856	<hr/> <hr/> 1,972

12 Reserves

	Share premium account £000	Profit and loss account £000	Capital contribution reserve £000
At beginning of year	774	1,059	139
Loss for the year	-	(116)	-
At end of year	<hr/> <hr/> 774	<hr/> <hr/> 943	<hr/> <hr/> 139

Notes (continued)

13 Commitments

At the end of the financial period the company had no unprovided capital commitments (2006: £nil).

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

The immediate parent company is International Packaging Limited, a company incorporated in England and Wales.

The company's ultimate parent company and the largest and smallest group in which its results are consolidated is that headed by International Group Limited, a company incorporated in England and Wales. The consolidated financial statements of International Group Limited can be obtained from Stoke Park, Park Road, Stoke Poges, Bucks, SL2 4PG.

15 Related party transactions

The company is controlled by International Packaging Limited, the immediate parent undertaking, which controls 70% of the company's voting rights.

The company's ultimate controlling party is RM King, by virtue of his shareholding in the ultimate parent company.

During the year the company had the following related party transactions:-

- a) A management charge of £nil (2006: £nil) was charged by Cadbury Schweppes plc, which owns 30% of the ordinary shares of the company. As at 31 December 2007 the company has £nil trading creditor balance (2006: £nil) and is owed £342,000 (2006: £342,000) by Cadbury Schweppes plc.
- b) A management charge of £nil (2006: £28,000) was charged by International Packaging Limited, which owns 70% of the ordinary shares of the company. As at 31 December 2007 the company has £nil trading creditor balance (2006: £nil) outstanding with International Packaging Limited. As at 31 December 2007, International Packaging Limited owes the company £1,371,000 (2006: £1,371,000) as a result of a loan made during 2004.