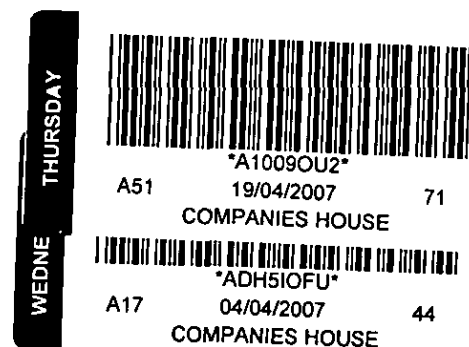




ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006
FOR
KITE PACKAGING (SOUTH WALES) LIMITED



Dafferns

Chartered Accountants & Business Advisers

KITE PACKAGING (SOUTH WALES) LIMITED

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for the year ended 31 December 2006

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KITE PACKAGING (SOUTH WALES) LIMITED

COMPANY INFORMATION
for the year ended 31 December 2006

DIRECTOR: B G McInnes

SECRETARY: Mrs M-B Ashe

REGISTERED OFFICE: 186 Torrington Avenue
Tile Hill
Coventry
CV4 9AJ

REGISTERED NUMBER: 4764726 (England and Wales)

AUDITORS: Dafferns
Chartered Accountants
Registered Auditors
Queens House
Queens Road
Coventry
CV1 3DR

**REPORT OF THE INDEPENDENT AUDITORS TO
KITE PACKAGING (SOUTH WALES) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages three to five, together with the financial statements of Kite Packaging (South Wales) Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

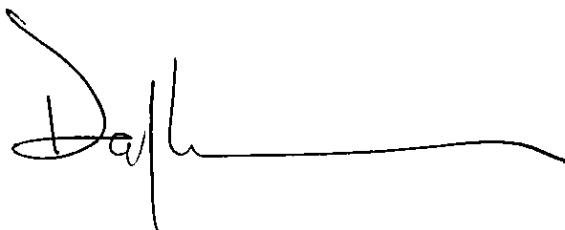
Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Dafferns
Chartered Accountants
Registered Auditors
Queens House
Queens Road
Coventry
CV1 3DR

A handwritten signature in black ink, appearing to read 'Dafferns', with a long horizontal stroke extending to the right.

16 March 2007

KITE PACKAGING (SOUTH WALES) LIMITED

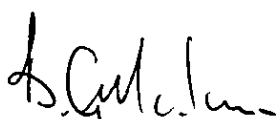
ABBREVIATED BALANCE SHEET

31 December 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	2	-	18,246
CURRENT ASSETS			
Stocks		-	95,898
Debtors		54,722	304,167
Cash at bank		116	472
		<u>54,838</u>	<u>400,537</u>
CREDITORS			
Amounts falling due within one year	3	<u>123,836</u>	<u>388,512</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(68,998)</u>	<u>12,025</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(68,998)</u>	<u>30,271</u>
PROVISIONS FOR LIABILITIES		<u>-</u>	<u>1,880</u>
NET (LIABILITIES)/ASSETS		<u><u>(68,998)</u></u>	<u><u>28,391</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	1	1
Profit and loss account		<u>(68,999)</u>	<u>28,390</u>
SHAREHOLDERS' FUNDS		<u><u>(68,998)</u></u>	<u><u>28,391</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the director on 16 March 2007 and were signed by



B G McInnes - Director

The notes form part of these abbreviated accounts

KITE PACKAGING (SOUTH WALES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company ceased trading on 31 December 2006

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery etc - 20% to 50% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2006 and 31 December 2006	31,346
DEPRECIATION	
At 1 January 2006	13,100
Charge for year	18,246
At 31 December 2006	31,346
NET BOOK VALUE	
At 31 December 2006	-
At 31 December 2005	18,246

3 CREDITORS

The bank have acquired a beneficial interest in the trade debtors to secure the confidential invoice finance facility of a fellow subsidiary. A bank facility of £42,500 has been made available to that company on behalf of Kite Packaging (South Wales) Limited

KITE PACKAGING (SOUTH WALES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued for the year ended 31 December 2006

4 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid. Number	Class	Nominal value	2006 £	2005 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

5. ULTIMATE PARENT COMPANY

The company is a wholly-owned subsidiary of Kite Packaging Group Limited