

HAVI Global Solutions Europe Limited
(Registered number: 05319761)

Annual report and financial statements

For the year ended 31 December 2010

FRIDAY



L3MD0XZJ

L40

30/09/2011

406

COMPANIES HOUSE

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

Principal activities

HAVI Global Solutions Europe Limited is a service business that administers and monitors the packaging needs of the McDonald's group in Europe and other customers. The company's sales are mainly with the European McDonald's group, its licensees, or its distributors.

Review of business and future developments

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Turnover increased slightly compared to the prior year as the company continued to increase the scope of the services offered to its customers. Operating profit increased compared to the prior year mainly as a result of a reduction in operating costs.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to competition from other service providers and employee retention.

Financial risk management

The objectives of the company are to manage the company's financial risk, secure cost effective funding for the company's operations and to minimise the adverse effects of fluctuations in the financial markets on the company's financial assets and liabilities, on reported profitability and on the cash flows of the company.

The company's financial instruments comprise bank balances, balances with group undertakings and items such as trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and foreign exchange risk. The Board of Directors reviews and agrees policies for managing these risks as summarised below.

Liquidity risk

The company finances its operations through a mixture of retained profits, working capital and balances with HAVI Group LP group companies.

Interest rate risk

The company's interest bearing assets include only balances with group undertakings and cash balances. All interest earned is at variable rates.

HAVI Global Solutions Europe Limited

(Registered number 05319761)

Directors' report for the year ended 31 December 2010 (continued)

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets or liabilities that are denominated in a currency that is not the company's functional currency. The company does not trade in financial instruments and has no other form of derivatives.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and Dividends

The profit for the year amounted to €1,292,169 (2009: €945,560). In the shareholders meeting on 27 September 2010 it was resolved to pay a dividend of €945,560 (€945.56 per share). The dividend was paid and recorded in the financial year 2010. In 2009 the dividend paid amounted to €678,380 (€678.38 per share).

Directors

The directors of the company who held office during the year and up to the date of signing these financial statements are given below:

Gero Liebig
Kai Schuttke
Valentin Balasoiu
Michael Bungers
Keith Damarell

Branches

The company has branches in Paris and Munich.

Donations

The company has made charitable donations of €nil (2009: €nil). No donations (2009: €nil) were made to political parties.

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:

HAVI Global Solutions Europe Limited

(Registered number. 05319761)

Directors' report for the year ended 31 December 2010 (continued)

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently,
- make judgements 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 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.

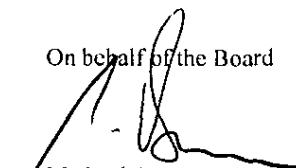
Disclosure of information to auditors

Each director in office at the date of approval of this report confirms that


- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

On behalf of the Board



Michael Bungers
Director



Gero Liebig
Director

28 September 2011

HAVI Global Solutions Europe Limited

Independent auditors' report to the members of HAVI Global Solutions Europe Limited

We have audited the financial statements of HAVI Global Solutions Europe Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 Statement of Directors' Responsibilities set out on pages 2 and 3, 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.

Opinion on 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 2010 and of its profit and cash flows 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 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.

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.



Stephen Pascoe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
29/9/2011

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Profit and loss account for the year ended 31 December 2010

| | <i>Note</i> | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|-----------------------------------------------|-------------|--------------------------------------------------|--------------------------------------------------|
| Turnover and gross profit | 2 | 8,163,076 | 7,976,683 |
| Administrative expenses | | (6,408,182) | (6,706,681) |
| Operating profit | 3 | 1,754,894 | 1,270,002 |
| Interest receivable and similar income | 5 | 99,439 | 121,721 |
| Interest payable and similar charges | 6 | (59,293) | (63,723) |
| Profit on ordinary activities before taxation | | 1,795,040 | 1,328,000 |
| Tax on profit on ordinary activities | 7 | (502,871) | (382,440) |
| Profit for the financial year | 14 | 1,292,169 | 945,560 |

The above results have been derived entirely from continuing operations

There are no material differences between the profit on ordinary activities before taxation and profit for the financial year stated above and their historical cost equivalents

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

The notes on pages 7 to 17 form part of these financial statements

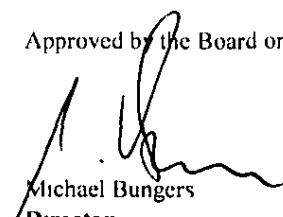
HAVI Global Solutions Europe Limited

(Registered number 05319761)

Balance sheet as at 31 December 2010

| | Note | 2010 € | 2009 € |
|--------------------------------------------------------|------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 8 | 214,398 | 302,025 |
| Investments | 9 | 1 | 1 |
| | | <u>214,399</u> | <u>302,026</u> |
| Current assets | | | |
| Debtors | 10 | 4,859,826 | 5,475,606 |
| Cash at bank and in hand | | 148,293 | 87,429 |
| | | <u>5,008,119</u> | <u>5,563,035</u> |
| Creditors – amounts falling due within one year | 11 | (3,928,871) | (4,918,023) |
| Net current assets | | <u>1,079,248</u> | <u>645,012</u> |
| Total assets less current liabilities | | <u>1,293,647</u> | <u>947,038</u> |
| Net assets | | <u>1,293,647</u> | <u>947,038</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 1,470 | 1,470 |
| Profit and loss account | 14 | 1,292,177 | 945,568 |
| Total shareholders' funds | 15 | <u>1,293,647</u> | <u>947,038</u> |

Approved by the Board on 28 September 2011 and signed on its behalf by


Michael Bungers
Director


Gero Liebig
Director

The notes on pages 7 to 17 form part of these financial statements

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Cash flow statement for the year ended 31 December 2010

| | <i>Note</i> | 2010 € | 2009 € |
|----------------------------------------------------------------------|--------------|-----------|-------------|
| Net cash inflow from operating activities | <i>16</i> | 2,163,599 | (603,103) |
| Returns on investments and servicing of finance | | | |
| Interest received | | 99,439 | 121,721 |
| Interest paid | | (59,293) | (63,723) |
| Net cash inflow from returns on investments and servicing of finance | | 40,146 | 57,998 |
| Taxation | | (366,743) | (326,807) |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | <i>8</i> | (30,578) | (89,216) |
| Net cash outflow for capital expenditure and financial investment | | (30,578) | (89,216) |
| Equity dividends paid to shareholders | <i>22</i> | (945,560) | (678,380) |
| Net cash inflow/(outflow) before financing | | 860,864 | (1,639,508) |
| Financing | | | |
| (Decrease)/increase in borrowings | <i>17,18</i> | (800,000) | 1,685,000 |
| Increase in cash in the year | <i>17,18</i> | 60,864 | 45,492 |

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

(a) Basis of Preparation and Accounting Convention

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(b) Functional currency

The functional and presentational currency of the company is Euro as this is as the currency of the primary economic environment in which the company operates and generates cash flows.

(c) Fixed Assets and Depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Straight line annual rates of depreciation most widely used are:

| | |
|--------------------|-----------------|
| Office equipment | 20.00 % |
| Computer equipment | 20.00 - 33.33 % |
| Computer software | 33.33 % |

(d) Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

(e) Pensions

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Any difference between contributions payable and contributions paid are included as either a prepayment or an accrual in the balance sheet.

(f) Turnover

Turnover, which is stated net of value added tax, represents amounts earned in relation to services rendered. Turnover is recognised on an accruals basis as services are provided. The price is usually fixed and always determinable.

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

(g) Leases

Rentals payable under operating leases are charged on a straight line basis over the lease term

(h) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

(i) Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed annually

(j) Consolidated financial statements

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group

(k) Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 Turnover

All turnover originates in the UK and is derived from packaging procurement services

Turnover by destination is as follows

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|----------------|----------------------------------------|----------------------------------------|
| UK | 1,772,291 | 1 687 976 |
| Rest of Europe | 6,390,785 | 6 288 707 |
| | <u>8,163,076</u> | <u>7 976,683</u> |

3 Operating profit

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Operating profit is stated after charging/(crediting) | | |
| Wages and salaries | 2,414,143 | 2,388,808 |
| Social security | 491,822 | 438,767 |
| Other pension costs (note 18) | 69,347 | 85,484 |
| | <u>2,975,312</u> | <u>2,913,059</u> |
| Operating lease rentals – other | 235,350 | 235,005 |
| Services provided by the company's auditors and it's associates – fees payable for the audit of the company's financial statements | 27,250 | 27,250 |
| Foreign exchange loss | - | 42,886 |
| Foreign exchange gain | (30,318) | - |
| Depreciation of fixed assets | <u>118,205</u> | <u>104,242</u> |

4 Employee and director information

The average monthly number of persons (excluding directors) employed by the company during the year was 33 (2009 31), all of whom performed office and management duties

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|-------------------------------------------|----------------------------------------|----------------------------------------|
| Aggregate directors' emoluments | 441,310 | 371 058 |
| Total emoluments of highest paid director | <u>220,000</u> | <u>186,000</u> |

Directors' emoluments are paid by the parent company, HAVI Global Solutions Europe GmbH and SDL Handelsgesellschaft mbH, a fellow subsidiary of HAVI Group LP, and are recharged to the company as part of a management charge

Three of the directors have accrued benefits under the HAVI Global Solutions Europe GmbH defined benefit scheme. The entirety of this pension benefit is payable by HAVI Global Solutions Europe GmbH

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

5 Interest receivable and similar income

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|---------------------------------------------|----------------------------------------|----------------------------------------|
| Customer interest | 99,439 | - |
| Bank interest | - | 118,119 |
| Interest receivable from group undertakings | - | 2,786 |
| Other interest | - | 816 |
| | 99,439 | 121,721 |

6 Interest payable and similar charges

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|----------------------------------------|----------------------------------------|----------------------------------------|
| Interest payable to group undertakings | 43,679 | 23,293 |
| Other interest | 15,614 | 40,380 |
| Bank interest | - | 50 |
| | 59,293 | 63,723 |

7 Tax on profit on ordinary activities

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|--------------------------------------------------|----------------------------------------|----------------------------------------|
| Analysis of tax charge for the year | | |
| Current tax | | |
| UK corporation tax charge on profit for the year | 519,454 | 376,262 |
| Adjustments in respect of prior periods | (60,447) | (6,994) |
| Double tax relief | (63,809) | (57,595) |
| Overseas tax | 86,638 | 68,336 |
| Total current tax | 481,836 | 380,009 |
| Deferred tax | | |
| Origination and reversal of timing differences | 20,677 | 2,431 |
| Changes in tax rates or laws | 358 | - |
| Total deferred tax (see note 12) | 21,035 | 2,431 |
| Tax on profit on ordinary activities | 502,871 | 382,440 |

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2009 higher) than the standard rate of corporation tax in the UK applicable to the company (28% (2009 28%)). The differences are explained below

| | Year ended 31 December 2010 € | Year ended 31 December 2009 € |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit on ordinary activities before tax | 1,795,040 | 1,328,000 |
| Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK at 28% (2009 28 %) | 502,611 | 371,840 |
| Effects of | | |
| Overseas tax | 22,829 | 10,741 |
| Expenses not deductible for tax purposes | 11,916 | 2,240 |
| Adjustments in respect of prior periods | (60,447) | (6,994) |
| Accelerated capital allowances and other timing differences | 4,927 | 2,182 |
| Total current tax charge | 481,836 | 380,009 |

Factors affecting future tax charges

A number of changes to the UK Corporation tax system were announced in the June 2010 and March 2011 Budget Statements. The Finance (No 2) Act 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26%, instead of 27%, from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 has been passed in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014, and these changes are expected to be enacted separately each year.

The corporation tax rate change to 27% had been substantively enacted at the balance sheet date and the effects are included in these financial statements. The further rate reductions had not been substantively enacted at the balance sheet date and therefore, the changes are not included in these financial statements. The overall effect of the changes is expected to be immaterial.

8 Tangible assets

| | Computer equipment € | Office equipment € | Computer Software € | Total € |
|---------------------------------|----------------------------|-----------------------|---------------------------|----------------|
| Cost | | | | |
| At 1 January 2010 | 449,976 | 229,692 | 72,562 | 752,230 |
| Additions | 25,325 | 2,206 | 3,047 | 30,578 |
| Reclassification | 55,042 | (56,430) | 1,388 | - |
| At 31 December 2010 | 530,343 | 175,468 | 76,997 | 782,808 |
| Accumulated Depreciation | | | | |
| At 1 January 2010 | 240,072 | 175,726 | 34,407 | 450,205 |
| Charged in the year | 78,568 | 15,758 | 23,879 | 118,205 |
| Reclassification | 52,078 | (53,466) | 1,388 | - |
| At 31 December 2010 | 370,718 | 138,018 | 59,674 | 568,410 |
| Net Book Amount | | | | |
| At 31 December 2010 | 159,625 | 37,450 | 17,323 | 214,398 |
| At 31 December 2009 | 209,674 | 54,196 | 38,155 | 302,025 |

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 Investments

| | Group undertakings € |
|----------------------------------------|----------------------------|
| Cost | |
| At 1 January 2010 and 31 December 2010 | 21,630 |
| Impairment | |
| At 1 January 2010 and 31 December 2010 | (21,629) |
| Net Book Amount | |
| At 1 January 2010 and 31 December 2010 | 1 |

The directors believe that the carrying value of the investments is supported by their underlying net assets

As at 31 December 2010, the subsidiary undertakings, both of which were wholly owned, were Perseco Europe Limited and Perseco Worldwide (Europe) Ltd. Both companies are registered in England and do not trade. The investment in the ordinary shares of Perseco Europe Limited is held directly. An impairment charge of €21,629 was made in 2006 to show the investments at their realisable value.

10 Debtors

| | 2010 € | 2009 € |
|------------------------------------|------------------|------------------|
| Trade debtors | 1,094,543 | 1,288,619 |
| Amounts owed by group undertakings | 2,451,388 | 1,100,934 |
| Other debtors | 1,187,255 | 2,993,518 |
| Prepayments | 112,210 | 57,070 |
| Deferred tax asset (note 12) | 14,430 | 35,465 |
| | <u>4,859,826</u> | <u>5,475,606</u> |

All amounts due to group undertakings are unsecured, interest free and repayable on demand.

11 Creditors - Amounts falling due within one year

| | 2010 € | 2009 € |
|------------------------------------|------------------|------------------|
| Trade creditors | 90,572 | 95,071 |
| Amounts owed to group undertakings | 1,942,830 | 2,827,545 |
| Corporation tax | 333,480 | 218,387 |
| Other taxation and social security | 236,162 | 178,108 |
| Other creditors | 13,621 | 5,902 |
| Accruals | 1,312,206 | 1,593,010 |
| | <u>3,928,871</u> | <u>4,918,023</u> |

The amount owed to group undertakings includes an unsecured short term loan of €885,000 with an interest rate of EONIA plus 2.0%. This loan is repayable at the end of 2011.

All other amounts due to group undertakings are interest free, unsecured and repayable on demand.

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

12 Deferred taxation

| | 2010 € |
|-----------------------|---------------|
| At 1 January | 35,465 |
| Credit for the year | (21,035) |
| At 31 December | 14,430 |

The deferred tax asset is made up as follows

| | 2010 € | 2009 € |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 14,430 | 35,465 |

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

13 Share capital

| | 2010 € | 2009 € |
|----------------------------------|-----------|-----------|
| Authorised | | |
| 1,000 ordinary shares of £1 each | 1,470 | 1,470 |
| Allotted and fully paid | | |
| 1,000 ordinary shares of £1 each | 1,470 | 1,470 |

The company was incorporated on 22 December 2004 with an authorised share capital of £1,000 made up of 1,000 ordinary shares of £1 each. On 22 December 2004, 1,000 ordinary shares were issued for cash of £1,000. The share capital was converted to Euros at the rate of €1.47/£1 on 22 December 2004.

14 Profit and loss reserves

| | € |
|-------------------------------|------------------|
| At 1 January 2010 | 945,568 |
| Profit for the financial year | 1,292,169 |
| Dividends (see note 22) | (945,560) |
| At 31 December 2010 | 1,292,177 |

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

15 Reconciliation of movements in shareholders' funds

| | Total shareholders' funds € |
|-------------------------------|--------------------------------------|
| Dividends | (945 560) |
| Profit for the financial year | <u>1 292 169</u> |
| Net movement in funds | 346 609 |
| At 1 January 2010 | 947 038 |
| At 31 December 2010 | <u>1,293,647</u> |

16 Net cash inflow from operating activities

| | 2010 € | 2009 € |
|-----------------------------------------------------|------------------|------------------|
| Continuing operations | | |
| Operating profit | 1,754,894 | 1,270,002 |
| Depreciation | 118,205 | 104,242 |
| Loss on disposal of tangible assets | - | 840 |
| Decrease in debtors | 594,745 | 444 154 |
| Decrease in creditors | (304,245) | (2 422,341) |
| Net cash inflow/(outflow) from operating activities | <u>2,163,599</u> | <u>(603 103)</u> |

17 Reconciliation of net cash flow to movement in net debt

| | Note | 2010 € | 2009 € |
|------------------------------|------|------------------|--------------------|
| Increase in cash in the year | 18 | 60,864 | 45,492 |
| Movement in borrowings | 18 | 800,000 | (1,685,000) |
| Movement in net debt | | 860,864 | (1 639,508) |
| Net debt at 1 January | 18 | (1,597,571) | 41,937 |
| Net debt at 31 December | 18 | <u>(736,707)</u> | <u>(1,597 571)</u> |

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

18 Analysis of changes in net debt

| | At 1 January 2010 € | Cash flow € | At 31 December 2010 € |
|--------------|------------------------------|-------------------|--------------------------------|
| Cash at bank | 87,429 | 60,864 | 148,293 |
| Borrowings | (1 685,000) | 800 000 | (885,000) |
| Total | (1,597,571) | 860,864 | (736,707) |

19 Financial commitments

At 31 December 2010 the company had annual commitments under operating leases of land and buildings expiring as follows

| | 2010 € | 2009 € |
|--------------------------|-----------|-----------|
| Within two to five years | 175,000 | 175 000 |

20 Related party transactions

During the year ended 31 December 2010, the company made payments of €2,053,859 (2009 €3,441,314) to fellow subsidiaries of the ultimate parent company, HAVI Group LP, which are not part of the HAVI Global Solutions Europe GmbH group. The payable outstanding as at 31 December 2010 was €14,166 (2009 €nil).

During the year ended 31 December 2010, the company made sales of €6,285,755 (2009 €4,232,799) to fellow subsidiaries of the ultimate parent company, HAVI Group LP, which are not part of the HAVI Global Solutions Europe GmbH group. The receivable outstanding as at 31 December 2010 was €2,005,716 (2009 €1,100,934).

21 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €69,347 (2009 € 85,484) for the year. There were no amounts receivable or payable at the year-end.

22 Equity dividend

| | 2010 € | 2009 € |
|----------------------------------------------------------|-----------|-----------|
| Final dividends paid €945.56 (2009 €678.38) per £1 share | 945,560 | 678,380 |

In the shareholders meeting on 27 September 2010 it was resolved to pay a dividend of € 945,560 (€ 945.56 per share). The dividend was paid and recorded in the financial year 2010.

HAVI Global Solutions Europe Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

23 Ultimate parent undertaking and controlling party

The parent company of the smallest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is HAVI Global Solutions Europe GmbH. Copies of HAVI Global Solutions Europe GmbH's consolidated financial statements can be obtained from Schifferstrasse 166, 47059 Duisburg, Germany.

The ultimate parent company, which prepares group financial statements for the largest group of undertakings of which the company is a member, is HAVI Group LP, incorporated in the United States. HAVI Group LP does not publish its consolidated financial statements.

The Directors regard Theodore F Perlman as the ultimate controlling party through his controlling interest in HAVI Group LP.