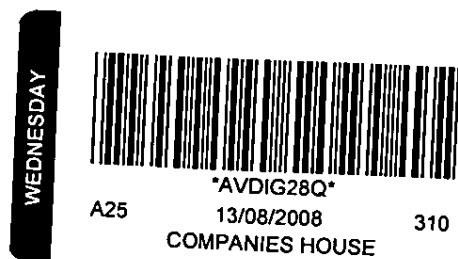


LINPAC Plastics China Holdings Limited

Annual report and financial statements  
for the period ended 31 December 2007

Registered number 5972505



# **LINPAC Plastics China Holdings Limited**

## **Annual report and financial statements for the period ended 31 December 2007**

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# **LINPAC Plastics China Holdings Limited**

## **Directors and advisers**

### **Directors**

R N Paul

M I Tentori (resigned 01/05/08)

R K Wunderlich (appointed 01/05/08)

P J F Thumerel

### **Secretary**

R J Fensome

### **Registered office**

3180 Park Square  
Birmingham Business Park  
Birmingham  
B37 7YN

### **Independent auditors**

PricewaterhouseCoopers LLP  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

# **LINPAC Plastics China Holdings Limited**

## **Directors' report for the period ended 31 December 2007**

The directors have pleasure in submitting their report and audited financial statements for the period ended 31 December 2007

### **Business review and principal activities**

The company, PRECIS (2654) Limited, was incorporated on 19 October 2006. It changed its name by special resolution to LINPAC Plastics China Holdings Limited on 1 December 2006.

The principal activity of the company is to hold investments.

The loss attributable to the shareholders for the period ended 31 December 2007 amounts to £1,000. No dividend was paid during the period. The directors consider it is appropriate to prepare the accounts on the going concern basis.

The directors consider the future performance of the company will remain consistent.

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of LINPAC Group Limited, which include those of the company, are discussed in the directors' report of the Group's annual accounts which does not form part of this report.

### **Key performance indicators ("KPIs")**

The directors of LINPAC Group Limited manage the Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The KPIs for LINPAC Group Limited are discussed in the directors' report of the Group annual accounts, which does not form part of this report.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of currency risk, liquidity risk and interest rate risk.

#### **Currency risk**

The company is exposed to fluctuations in foreign exchange rates as a result of holding cash, trading and loan balances denominated in foreign currencies. To manage this risk the company hedges its currency denominated assets and liabilities so as to minimise net exposure.

#### **Liquidity and interest rate risk**

Liquidity risk and interest rate risk are managed at Group level. The Group's policies in respect of liquidity risk and interest rate risk are discussed in the directors' report of the Group's annual accounts which does not form part of this report.

### **Political and charitable donations**

The company made no political donations during the period. Charitable donations amounted to £nil.

### **Directors and their appointments**

The names of the present directors of the company are set out on page 1. The directors all held office throughout the period.

# **LINPAC Plastics China Holdings Limited**

## **Directors' report for the period ended 31 December 2007 (continued)**

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to

- 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 the financial statements comply with the Companies Act 1985. 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**

So far as the directors at the date of this report are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware.

The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

PricewaterhouseCoopers LLP have been appointed to fill a casual vacancy. A resolution to appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board

R N Paul  
Director  
23 July 2008



## **Independent auditors' report to the members of LINPAC Plastics China Holdings Limited**

We have audited the financial statements of LINPAC Plastics China Holdings Limited for the period 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.

### **Respective responsibilities of directors and auditors**

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the period 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.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
East Midlands

*11 April 2008*

# **LINPAC Plastics China Holdings Limited**

## **Profit and loss account for the period ended 31 December 2007**

	Note	440 day period ended 31 December 2007  £'000
Interest payable and similar charges	4	(1)
<b>Loss on ordinary activities before taxation</b>		<b>(1)</b>
Tax charge on loss on ordinary activities	5	-
<b>Loss for the period</b>	9	<b>(1)</b>

All items dealt with in arriving at the result above relate to continuing operations

There are no recognised gains and losses other than the loss presented above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above and their historical cost equivalents

# LINPAC Plastics China Holdings Limited

## Balance sheet as at 31 December 2007

	Note	2007
		£'000
<b>Fixed assets</b>		
Investments	6	2,846
		2,846
<b>Creditors' amounts falling due within one year</b>	7	(2,847)
<b>Net current liabilities</b>		(2,847)
<b>Net liabilities</b>		(1)
<b>Capital and reserves</b>		
Called up share capital	8	-
Profit and loss reserve	9	(1)
<b>Total shareholders' deficit</b>	10	(1)

The financial statements on pages 5 to 11 were approved by the board of directors on 23 July 2008 and were signed on its behalf by

R N Paul  
Director



# **LINPAC Plastics China Holdings Limited**

## **Notes to the financial statements for the period ended 31 December 2007**

### **1 Accounting policies**

The accounts have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and the applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied, are set out below.

The directors believe the going concern basis is appropriate as continued support is available from the parent company, LINPAC Packaging Limited.

#### **Consolidation and basis of preparation**

As provided by s228 of the Companies Act 1985 the company is exempt from the requirement to prepare group accounts because it is a subsidiary of LINPAC Group Limited. LINPAC Group Limited has drawn up group accounts which include the accounts of LINPAC Plastics China Holdings Limited.

#### **Investments**

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

#### **Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date based on current tax rates and current law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Foreign currencies**

Foreign currency monetary assets or liabilities are translated into sterling at the rates of exchange ruling on the last day of the financial period or at a contractual rate if applicable. All exchange differences are reported in the profit and loss account.

#### **Related party transactions**

As the company is a wholly owned subsidiary of LINPAC Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group where the shareholding is more than 90%. The consolidated financial statements of LINPAC Group Limited, within which this company is included, can be obtained from the registered office of the company.

#### **Cash flow statement**

As the company is a wholly owned subsidiary of LINPAC Group Limited, the company has taken advantage of the exemption contained in FRS 1 (revised 1996) and has therefore not prepared a cash flow statement.

# **LINPAC Plastics China Holdings Limited**

## **Notes to the financial statements for the period ended 31 December 2007 (continued)**

### **2 Directors and employee information**

The company has no employees. None of the Directors received any remuneration for their services to the company.

### **3 Loss on ordinary activities**

Fees payable to the company's auditors for the audit of the company accounts of £3,500 have been borne by the parent company, LINPAC Packaging Limited.

### **4 Interest payable and similar charges**

	<b>440 day period ended 31 December 2007</b>
	<b>£'000</b>
Other	<b>1</b>
	<b>1</b>

# LINPAC Plastics China Holdings Limited

## Notes to the financial statements for the period ended 31 December 2007 (continued)

### 5 Tax charge on loss on ordinary activities

	£'000
<b>Current tax</b>	
<b>(a) Analysis of taxation charge for the period</b>	
UK corporation tax on profits for the period – 30%	-
Total current tax	-
<b>Deferred tax</b>	
Origination and reversal of timing differences in the period	-
Total deferred tax	-
<b>Tax on profit on ordinary activities</b>	-

#### (b) Factors affecting tax charge for the year

The tax assessed for the year is in line with the standard rate of corporation tax in the UK (30%)

	£'000
<b>Loss on ordinary activities before taxation</b>	(1)
Loss on ordinary activities at 30%	-
<b>Current tax charge for the year (note (a) )</b>	-

#### (c) Factors affecting tax charge for the period

The proposed reduction in the rate of UK Corporation tax from 30% to 28% as per the 2007 budget was substantively enacted on 26 June 2007. As a result deferred tax reversing after 1 April 2008 will be recognised at the rate of 28%. This change has not impacted the results for the current year.

# **LINPAC Plastics China Holdings Limited**

## **Notes to the financial statements for the period ended 31 December 2007 (continued)**

### **6 Investments**

The movement in subsidiary company investments during the period was as follows

	<b>Total</b>
	<b>£'000</b>
<b>Cost</b>	
At 19 October 2006	-
Additions	2,846
<b>At 31 December 2007</b>	<b>2,846</b>

Additions of £2,846k relate to investments in LINPAC Plastics (Changzhou) Co Ltd, a company incorporated in China and wholly owned by LINPAC Plastics China Holdings Limited, with only one class of issued share. The principal activities of the subsidiary company are the manufacture and marketing of food packaging for fresh and chilled foods, catering and food service applications.

### **7 Creditors: amounts falling due within one year**

	<b>2007</b>
	<b>£'000</b>
Bank overdrafts	1
Amounts due to group companies	2,846
	<b>2,847</b>

Amounts owed to group companies are unsecured, non-interest bearing and have no fixed date of repayment.

### **8 Called up share capital**

	<b>2007</b>
	<b>£'000</b>
Authorised share capital – 100 ordinary shares of £1 each	-
Issued and fully paid – 2 ordinary shares of £1 each	-

# **LINPAC Plastics China Holdings Limited**

## **Notes to the financial statements for the period ended 31 December 2007 (continued)**

### **9 Profit and loss reserve**

	<b>£'000</b>
Loss for the period	(1)
<b>At 31 December 2007</b>	<b>(1)</b>

### **10 Reconciliation of movements in total shareholders' deficit**

	<b>£'000</b>
Loss for the period	(1)
Opening total shareholders' funds	-
<b>Closing total shareholders' deficit at 31 December 2007</b>	<b>(1)</b>

### **11 Ultimate holding company and controlling party**

The company's immediate holding company is LINPAC Packaging Limited (formerly LINPAC Plastics Limited), which is incorporated in the United Kingdom

The ultimate parent undertaking is LINPAC Group Limited, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of LINPAC Group Limited's consolidated financial statements can be obtained from the Company Secretary at 3180 Park Square, Birmingham B37 7YN

The company's ultimate controlling party is Montagu Private Equity LLP which manages funds holding 46.25% of the equity of LINPAC Group Limited