

LINPAC Packaging China Holdings Limited  
Annual report and financial statements  
for the year ended 31 December 2013

Registered number 05972505

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# **LINPAC Packaging China Holdings Limited**

## **Annual report and financial statements for the year ended 31 December 2013**

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# **LINPAC Packaging China Holdings Limited**

## **Officers and advisors**

### **Directors**

D Meldram  
M P Nicholls  
C W Horton

### **Company secretary**

S E Joseph

### **Registered office**

Wakefield Road  
Featherstone  
Pontefract  
West Yorkshire  
WF7 5DE

### **Independent auditors**

PricewaterhouseCoopers LLP  
33 Wellington St  
Leeds  
LS1 4JP

# LINPAC Packaging China Holdings Limited

## Directors' report for the year ended 31 December 2013

The Directors have pleasure in submitting their report and audited financial statements for the year ended 31 December 2013. The company is exempt from preparing a Strategic Report on the grounds that it would be entitled to prepare accounts in accordance with the small companies regime.

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

The principal activity of the company is to hold investments.

The loss for the financial year ended 31 December 2013 amounts to £57,000 (2012: £37,000). No dividend was paid during the year (2012: £nil).

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

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

### **Financial risk management**

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

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

Liquidity risk and interest rate risk are managed at Group level (see note 12). The Group's policies in respect of liquidity risk and interest rate risk are discussed in the Directors' report of the LINPAC Senior Holding Limited's annual financial statements which does not form part of this report.

### **Political and charitable donations**

The company made no political or charitable donations during the year (2012: £nil).

### **Directors**

The names of the present Directors of the company are set out on page 1. The Directors who have held office during the year and up to the date of signing the financial statements, unless otherwise stated, are given below.

D Meldram  
M P Nicholls  
C W Horton

### **Going concern**

The directors of the company's ultimate parent company, LINPAC Senior Holdings Limited, have indicated to the directors of the company, in writing, that it is their present intention to continue to support the company to enable it to meet its obligations as and when they fall due and the financial statements have therefore been prepared on a going concern basis.

# LINPAC Packaging China Holdings Limited

## Directors' report for the year ended 31 December 2013 (continued)

### 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 then apply them consistently,
- make judgements and accounting 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 and the group 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.

### Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved,

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) 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.

### Company registration number

Registered number 05972505

By Order of the Board



S E Joseph  
Director

10 April 2014

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

## **Report on the financial statements**

### **Our opinion**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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

This opinion is to be read in the context of what we say in the remainder of this report

### **What we have audited**

The financial statements, which are prepared by LINPAC Packaging China Holdings Limited, comprise

- Balance Sheet as at 31 December 2013,
- Profit and Loss account for the year then ended,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report and Financial Statement (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on 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 auditors' report to the members of LINPAC Packaging China Holdings Limited (continued)**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 ISAs (UK & 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.



Katharine Warrington (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

14 April 2014

## LINPAC Packaging China Holdings Limited

### Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Administrative expenses		(4)	-
<b>Operating loss</b>	3	<b>(4)</b>	-
Interest receivable and similar income	4	279	268
Interest payable and similar charges	4	(279)	(268)
<b>Loss on ordinary activities before taxation</b>		<b>(4)</b>	-
Tax on loss on ordinary activities	5	(53)	(37)
<b>Loss for the financial year</b>	10	<b>(57)</b>	(37)

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

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

There is no material difference between the loss on ordinary activities before taxation and their historical cost equivalents



# LINPAC Packaging China Holdings Limited

## Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Investments	6	3,931	3,931
<b>Current assets</b>			
Debtors	7	3,873	3,790
Creditors: amounts falling due within one year	8	(8,005)	(7,865)
<b>Net current liabilities</b>		<b>(4,132)</b>	<b>(4,075)</b>
<b>Total assets less current liabilities</b>		<b>(201)</b>	<b>(144)</b>
<b>Net liabilities</b>		<b>(201)</b>	<b>(144)</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	(201)	(144)
<b>Total shareholders' deficit</b>		<b>(201)</b>	<b>(144)</b>

The financial statements on pages 6 to 13 were approved by the board of Directors on 10 April 2014 and were signed on its behalf by



M Nicholls  
Director  
10 April 2014

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2013

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements for both the current and prior years

#### **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. The principal accounting policies, which have been consistently applied, are set out below

#### **Going concern basis**

The directors of the company's ultimate parent company, LINPAC Senior Holdings Limited, have indicated to the directors of the company, in writing, that it is their present intention to continue to support the company to enable it to meet its obligations as and when they fall due and the accounts have therefore been prepared on a going concern basis

#### **Consolidation**

As provided by Section 400 of the Companies Act 2006, the company is exempt from the requirement to prepare group financial statements because it is a subsidiary of LINPAC Senior Holdings Limited and that company has drawn up consolidated financial statements which include the financial statements of the company

#### **Fixed asset investments**

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less any provision for impairment. Impairment reviews are performed by the Directors where there has been an indication of potential impairment, such as producing a loss in the financial year under review and where that loss is forecast to continue

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling at the balance sheet date. All differences are taken to the profit and loss account in the year in which they arise

#### **Related party transactions**

The company is a wholly-owned subsidiary of LINPAC Senior Holdings Limited, and is included in the consolidated financial statements of LINPAC Senior Holdings Limited, which are publicly available (see note 12). Consequently, the company has taken advantage of the exemption under the terms of FRS 8 'Related Party Transactions' and has therefore not disclosed transactions or balances with entities that form part of the Group

#### **Cash flow statement**

Under FRS 1 (revised 1996) 'Cash flow statement', the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements (see note 12)

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 1 Accounting policies (continued)

#### Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of profit and loss that are taxable or deductible in other years and it further excludes items which are not taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

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 a non-discounted basis.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, or if appropriate, at the forward contract rate. All exchange differences are reported in the profit and loss account.

### 2 Directors and employee information

The company has no employees (2012: none) and 3 Directors (2012: 3). None of the Directors received any remuneration for their services to the company (2012: £nil). Their costs are borne by fellow Group undertakings.

### 3 Operating loss

Fees payable to the company's auditors for the audit of the company's financial statements of £3,500 (2012: £3,500) have been borne by the parent company, LINPAC Packaging Limited and not recharged.

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 4 Interest receivable and interest payable

	2013	2012
	£'000	£'000
<b>Interest receivable and similar income</b>		
Group loans	279	268
<b>Interest payable and similar charges</b>		
Group loans	(279)	(268)

### 5 Tax on loss on ordinary activities

#### (a) UK tax charge for the year

	2013	2012
	£'000	£'000
<b>Current tax</b>		
UK corporation tax on loss for the year	(44)	(33)
Adjustments in respect of previous years	(9)	(4)
<b>Total tax on loss on ordinary activities</b>	<b>(53)</b>	<b>(37)</b>

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 5 Tax on loss on ordinary activities (continued)

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

The current tax charge for the year is higher (2012 higher) than the standard rate of corporation tax in the UK of 23.25% (2012 24.5%). The tax charge is explained below

	2013	2012
	£'000	£'000
Loss on ordinary activities before taxation	(4)	-
Loss on ordinary activities multiplied by the standard rate of UK corporation tax at 23.25% (2012, 24.5%)	(1)	-
Other taxes not recoverable	(44)	(33)
Non-taxable income	(10)	-
Group relief claimed not paid for	11	-
Adjustments in respect of previous years	(9)	(4)
Total current tax charge	(53)	(37)

There was no unprovided deferred tax at the year end (2012 £nil)

#### (c) Factors affecting current and future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

### 6 Fixed asset investments

The subsidiary company investments are as follows

	Total
	£'000
<b>Cost and net book amount</b>	
At 1 January and 31 December 2013	3,931

Investments are held in LINPAC Packaging (Changzhou) Co Limited, a company incorporated in China and wholly owned by LINPAC Packaging 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. The Directors

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

consider the value of the investments to be supported by their underlying assets and cash flows generated by ongoing operations

### 7 Debtors

	2013	2012
	£'000	£'000
Amounts owed by group undertakings	69	68
Group loans	3,804	3,722
	3,873	3,790

Amounts owed by group undertakings are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, with interest charged at a combination of fixed rate and floating rate of a margin above LIBOR

### 8 Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	294	246
Group loans	7,701	7,618
Corporation tax	10	1
	8,005	7,865

Amounts owed to group undertakings are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, interest charged at a combination of fixed rate and floating rate of a margin above LIBOR. There is no fixed date of repayment for the group loans

### 9 Called up share capital

	2013	2012
	£'000	£'000
Allotted and fully paid – 2 (2012: 2) ordinary shares of £1 each	-	-

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 10 Profit and loss account

	£'000
At 1 January 2013	(144)
Loss for the financial year	(57)
<b>At 31 December 2013</b>	<b>(201)</b>

### 11 Reconciliation of movements in shareholders' deficit

	2013 £'000	2012 £'000
Opening shareholders' deficit	(144)	(107)
Loss for the financial year	(57)	(37)
Closing shareholders' deficit	(201)	(144)

### 12 Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking is LINPAC Senior Holdings Limited, a company incorporated in the United Kingdom. The Directors are of the opinion that there is no ultimate controlling party of LINPAC Senior Holdings Limited.

LINPAC Senior Holdings Limited is the parent undertaking of the largest and only group to consolidate these financial statements.

Copies of LINPAC Senior Holdings Limited's consolidated financial statements can be obtained from the Company Secretary at Linpac Wakefield Road, Featherstone, Pontefract WF7 5DE.

The Company's immediate parent company is LINPAC Packaging Limited, which is incorporated in the United Kingdom.