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LINPAC Packaging China Holdings Limited
Annual report and financial statements
for the year ended 31 December 2010

Registered number: 5972505

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LINPAC Packaging China Holdings Limited

Annual report and financial statements for the year ended 31 December 2010

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LINPAC Packaging China Holdings Limited

Officers and professional advisers

Directors

D Meldram
M P Nicholls
C W Horton
R C Castellanos

Company secretary

S E Joseph

Registered office

3180 Park Square
Birmingham Business Park
Birmingham
B37 7YN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

LINPAC Packaging China Holdings Limited

Directors' report for the year ended 31 December 2010

The directors have pleasure in submitting their report and audited financial statements for the year ended 31 December 2010

Business review and principal activities

The principal activity of the company is to hold investments

The loss for the year ended 31 December 2010 amounts to £16,000 (2009 £11,000) No dividend was paid during the year (2009 £nil).

The directors consider the future performance of the company will remain consistent The directors consider it is appropriate to prepare the financial statements on the going concern basis

The directors have taken the exemption under the special provision of section 415A of the Companies Act 2006 from undertaking a detailed business review.

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 The Group's policies in respect of liquidity risk and interest rate risk are discussed in the Directors' report of the Group'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 (2009 £nil)

Directors

The names of the present directors of the company are set out on page 1. R Audas resigned on 13 September 2010 and P J F Thumerel resigned on 15 March 2011. D Meldram was appointed on 13 September 2010. The remaining directors all held office throughout the year and up to the date of signing the financial statements

LINPAC Packaging China Holdings Limited

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

Directors' Responsibilities Statement

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,
- 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.

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, 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 5972505

On behalf of the Board



M P Nicholls
Director

28/4/11

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

We have audited the financial statements of LINPAC Packaging China Holdings Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet 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 Directors' Responsibilities Statement 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 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 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

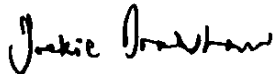
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of LINPAC Packaging China Holdings Limited (continued)

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., or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.



Jackie Bradshaw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
28 April 2011

LINPAC Packaging China Holdings Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Interest receivable and similar income	4	281	280
Interest payable and similar charges	4	(280)	(280)
Profit on ordinary activities before taxation	3	1	-
Tax on profit on ordinary activities	5	(17)	(11)
Loss for the financial year	10	(16)	(11)

All items dealt with in arriving at the result 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 profit/(loss) on ordinary activities before taxation and their historical cost equivalents.

LINPAC Packaging China Holdings Limited

Balance sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	6	3,931	3,931
Current assets			
Debtors	7	4,478	4,339
Creditors: amounts falling due within one year	8	(8,437)	(8,282)
Net current liabilities		(3,959)	(3,943)
Net liabilities		(28)	(12)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss reserve	10	(28)	(12)
Total shareholders' deficit	11	(28)	(12)

The financial statements on pages 6 to 13 were approved by the board of directors on 28 April 2011 and were signed on its behalf by



M P Nicholls
Director

28/4/11

LINPAC Packaging China Holdings Limited

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

1 Accounting policies

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 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 s400 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. LINPAC Senior Holdings Limited has drawn up group financial statements which include the financial statements of LINPAC Packaging China Holdings Limited.

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 period under review and where that loss is forecast to continue.

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 year or at a contractual rate if applicable. All exchange differences are reported in the profit and loss account.

Related party transactions

By virtue of the company being a wholly owned subsidiary included in the accounts of a larger group, whose accounts are publicly available, the company is exempt under Financial Reporting Standard 8 'Related party disclosures' from disclosing transactions or balances with entities which are part of the group that qualify as related parties.

Cash flow statement

As the company is a wholly owned subsidiary of LINPAC Senior Holdings 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 Packaging China Holdings Limited

Notes to the financial statements for the year ended 31 December 2010 (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 provided, using the liability method, 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 at rates expected to apply when they crystallise based on current taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in financial statements.

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.

2 Directors and employee information

The company has no employees (2009: none) and 5 directors (2009: 5). None of the directors received any remuneration for their services to the company (2009: £nil). Their costs are borne by fellow Group undertakings.

3 Profit on ordinary activities before taxation

Fees payable to the company's auditors for the audit of the company financial statements of £3,500 (2009: £3,500) have been borne by the parent company, LINPAC Packaging Limited.

4 Interest receivable and interest payable

	2010	2009
	£'000	£'000
Interest receivable and similar income		
Group loans	281	280
Interest payable and similar charges		
Group loans	(280)	(280)

LINPAC Packaging China Holdings Limited

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

5 Tax on profit on ordinary activities

Analysis of tax during the year

	2010	2009
	£'000	£'000
Current tax		
UK corporation tax at 28.0% (2009 28 0%) on profit for the year		
Current tax charge	20	20
Adjustments to tax charge in respect of previous years	(3)	(9)
Tax charge on profit on ordinary activities	17	11

Factors affecting the tax for the current year

The current tax charge for the year is greater (2009 greater) than the standard rate of corporation tax in the UK of 28 0% (2009 28 0%). The tax charge is explained below

	2010	2009
	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before taxation	1	-
Profit on ordinary activities multiplied by the standard rate of tax at 28 0% (2009 28 0%)	-	-
Irrecoverable withholding tax suffered	28	28
Expenses not deductible for tax purposes	(8)	(8)
Adjustments to tax charge in respect of previous years	(3)	(9)
Total current tax	17	11

There was no unprovided deferred tax at the year end (2009. £nil).

The Finance Act (No 2) 2010 was substantively enacted on 20 July 2010 and includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. These changes, which were expected to be enacted separately each year, proposed reducing the rate by 1% per annum to 24% by 1 April 2014. These reductions have been amended by Budget 2011 on 23 March 2011. An additional reduction of 1% is proposed to the Financial Year beginning 1 April 2011 and rates will be reduced by three further one per cent cuts to 23% by the Financial Year beginning 1 April 2014.

LINPAC Packaging China Holdings Limited

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

6 Investments

The subsidiary company investments are as follows

	Total
	£'000
Cost and net book amount	
At 1 January and 31 December 2010	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 consider the value of the investments to be supported by their underlying assets and cash flows generated by ongoing operations.

7 Debtors

	2010	2009
	£'000	£'000
Amounts due from group companies	552	281
Group loans	3,926	4,050
Corporation tax receivable	-	8
	4,478	4,339

Amounts owed from group companies are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, with interest rates between 3.25% and 7.4% (2009 3.25 and 7.4%) and are for 12 month periods.

LINPAC Packaging China Holdings Limited

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

8 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts owed to group companies	578	308
Group loans	7,839	7,974
Corporation tax	20	-
	8,437	8,282

Amounts owed to group companies are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, of which £3,928,000 bear interest rates between 3.25% and 7.4% and £3,911,000 incurs no interest (2009: £4,051,000 bears interest rates between 3.25% and 7.4% and £3,923,000 incurs no interest) There is no fixed date of repayment for the group loans

9 Called up share capital

	2010	2009
	£'000	£'000
Authorised share capital – 100 (2009: 100) ordinary shares of £1 each	-	-
Issued and fully paid – 2 (2009: 2) ordinary shares of £1 each	-	-

10 Profit and loss reserve

	£'000
At 1 January 2010	(12)
Loss for the financial year	(16)
At 31 December 2010	(28)

LINPAC Packaging China Holdings Limited

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

11 Reconciliation of movement in total shareholders' deficit

	2010	2009
	£'000	£'000
Opening total shareholders' deficit	(12)	(1)
Loss for the financial year	(16)	(11)
Closing total shareholders' deficit at 31 December	(28)	(12)

12 Ultimate holding company 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 3180 Park Square, Birmingham B37 7YN

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