

LINPAC Packaging China Holdings Limited
Annual report and financial statements
for the year ended 31 December 2011

Registered number 5972505

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LINPAC Packaging China Holdings Limited

Annual report and financial statements for the year ended 31 December 2011

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LINPAC Packaging China Holdings Limited

Officers and advisors

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

LINPAC Packaging China Holdings Limited

Directors' report for the year ended 31 December 2011

The directors have pleasure in submitting their report and audited financial statements for the year ended 31 December 2011

Business review and principal activities

The principal activity of the company is to hold investments

The loss for the financial year ended 31 December 2011 amounts to £79,000 (2010 £16,000) No dividend was paid during the year (2010 £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

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 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 (2010 £nil)

Directors

The names of the present directors of the company are set out on page 1. P J F Thumerei resigned on 15 March 2011. 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 2011 (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, 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.

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

30 APRIL 2012

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 2011 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. In addition, we read all the financial and non-financial information in the annual report and financial statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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

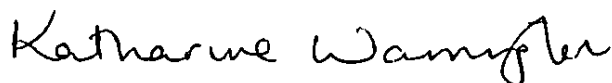
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



Katharine Warrington (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
30 APR 2012

LINPAC Packaging China Holdings Limited

Profit and loss account for the year ended 31 December 2011

| | Note | 2011 £'000 | 2010 £'000 |
|---|------|---------------|---------------|
| Administrative expenses | | (7) | - |
| Operating loss | 3 | (7) | - |
| Interest receivable and similar income | 4 | 285 | 281 |
| Interest payable and similar charges | 4 | (286) | (280) |
| (Loss)/profit on ordinary activities before taxation | | (8) | 1 |
| Tax on (loss)/profit on ordinary activities | 5 | (71) | (17) |
| Loss for the financial year | 10 | (79) | (16) |

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)/profit on ordinary activities before taxation and their historical cost equivalents

LINPAC Packaging China Holdings Limited

Balance sheet as at 31 December 2011

| | Note | 2011 £'000 | 2010 £'000 |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Investments | 6 | 3,931 | 3,931 |
| Current assets | | | |
| Debtors | 7 | 4,480 | 4,478 |
| Creditors: amounts falling due within one year | 8 | (8,518) | (8,437) |
| Net current liabilities | | (4,038) | (3,959) |
| Total assets less current liabilities | | (107) | (28) |
| Capital and reserves | | | |
| Called up share capital | 9 | - | - |
| Profit and loss account | 10 | (107) | (28) |
| Total shareholders' deficit | 11 | (107) | (28) |

The financial statements on pages 6 to 13 were approved by the board of directors on 30 March 2012 and were signed on its behalf by



M P Nicholls
Director

LINPAC Packaging China Holdings Limited

Notes to the financial statements for the year ended 31 December 2011

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 section 400 of the Companies Act 2006 the company is exempt from the requirement to prepare group financial statements because it is a wholly owned subsidiary of LINPAC Senior Holdings Limited. LINPAC Senior Holdings Limited has drawn up group financial statements which are publicly available and which include the financial statements of LINPAC Packaging China Holdings Limited.

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

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.

Related party transactions

By virtue of the company being a wholly owned subsidiary included in the financial statements of a larger group, whose financial statements 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 Financial Reporting Standard 1 (revised 1996) 'Cash flow statements' 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 2011 (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.

2 Directors and employee information

The company has no employees (2010: none) and 4 directors (2010: 5). None of the directors received any remuneration for their services to the company (2010: £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 (2010: £3,500) have been borne by the parent company, LINPAC Packaging Limited.

4 Interest receivable and interest payable

| | 2011 | 2010 |
|--|-------|-------|
| | £'000 | £'000 |
| Interest receivable and similar income | | |
| Group loans | 285 | 281 |
| | 2011 | 2010 |
| | £'000 | £'000 |
| Interest payable and similar charges | | |
| Group loans | (286) | (280) |

LINPAC Packaging China Holdings Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

5 Tax on (loss)/profit on ordinary activities

Analysis of tax during the year

| | 2011 | 2010 |
|--|-------------|-------------|
| | £'000 | £'000 |
| Current tax | | |
| UK corporation tax on (loss)/profit for the year | (74) | (20) |
| Adjustments in respect of previous years | 3 | 3 |
| Total tax on (loss)/profit on ordinary activities | (71) | (17) |

Factors affecting the tax for the current year

The current tax charge for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 26.5% (2010 28.0%). The tax (credit)/charge is explained below

| | 2011 | 2010 |
|--|-------------|-------------|
| | £'000 | £'000 |
| (Loss)/profit on ordinary activities before taxation | (8) | 1 |
| (Loss)/profit on ordinary activities multiplied by the standard rate of UK corporation tax at 26.5% (2010 28.0%) | 2 | - |
| Other taxes not recoverable | (76) | (28) |
| Expenses not deductible for tax purposes | - | 8 |
| Adjustments in respect of previous years | 3 | 3 |
| Total current tax | (71) | (17) |

There was no unprovided deferred tax at the year end (2010 £nil)

A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012.

A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

LINPAC Packaging China Holdings Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Fixed asset investments

The subsidiary company investments are as follows

| | Total |
|-----------------------------------|--------------|
| | £'000 |
| Cost and net book amount | |
| At 1 January and 31 December 2011 | 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

| | 2011 | 2010 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Amounts owed by group undertakings | 641 | 552 |
| Group loans | 3,839 | 3,926 |
| | 4,480 | 4,478 |

Amounts owed by group undertakings 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% (2010 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 2011 (continued)

8 Creditors: amounts falling due within one year

| | 2011 | 2010 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | 707 | 578 |
| Group loans | 7,748 | 7,839 |
| Corporation tax | 63 | 20 |
| | 8,518 | 8,437 |

Amounts owed to group undertakings are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, of which £3,839,000 bear interest rates between 3.25% and 7.4% and £3,909,000 incurs no interest (2010 £3,928,000 bears interest rates between 3.25% and 7.4% and £3,911,000 incurs no interest) There is no fixed date of repayment for the group loans

9 Called up share capital

| | 2011 | 2010 |
|---|-------|-------|
| | £'000 | £'000 |
| Allotted and fully paid – 2 (2010 2) ordinary shares of £1 each | - | - |

10 Profit and loss account

| | £'000 |
|-----------------------------|--------------|
| At 1 January 2011 | (28) |
| Loss for the financial year | (79) |
| At 31 December 2011 | (107) |

LINPAC Packaging China Holdings Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Reconciliation of movements in shareholders' deficit

| | 2011 | 2010 |
|-------------------------------|-------|-------|
| | £'000 | £'000 |
| Opening shareholders' deficit | (28) | (12) |
| Loss for the financial year | (79) | (16) |
| Closing shareholders' deficit | (107) | (28) |

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 3180 Park Square, Birmingham B37 7YN.

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