

5972505

LINPAC Packaging China Holdings Limited  
Annual report and financial statements  
for the year ended 31 December 2012

Registered number 05972505



# **LINPAC Packaging China Holdings Limited**

## **Annual report and financial statements for the year ended 31 December 2012**

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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  
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 2012**

The Directors have pleasure in submitting their report and audited financial statements for the year ended 31 December 2012

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

The principal activity of the company is to hold investments

The loss for the financial year ended 31 December 2012 amounts to £37,000 (2011 £79,000) No dividend was paid during the year (2011 £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 (2011 £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

R Castellanos (resigned 19 April 2012)

### **Going Concern**

The company's financial statements have been prepared on a going concern basis, notwithstanding the net liabilities of £144,000 (2011 £107,000) and net current liabilities of £4,075,000 (2011 £4,038,000) LINPAC Packaging Limited has given an undertaking to support the company over the next twelve months from the date of signing the financial statements

# LINPAC Packaging China Holdings Limited

## Directors' report for the year ended 31 December 2012 (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,
- 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.

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 05972505

By Order of the Board



S E Joseph  
Director

29 July 2013

## **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 2012 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 statements 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 2012 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

29 July 2013

# LINPAC Packaging China Holdings Limited

## Profit and loss account for the year ended 31 December 2012

		2012	2011
	Note	£'000	£'000
Administrative expenses		-	(7)
<b>Operating loss</b>	3	-	(7)
Interest receivable and similar income	4	268	285
Interest payable and similar charges	4	(268)	(286)
<b>Loss on ordinary activities before taxation</b>		-	(8)
Tax on loss on ordinary activities	5	(37)	(71)
<b>Loss for the financial year</b>	10	(37)	(79)

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 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investments	6	3,931	3,931
<b>Current assets</b>			
Debtors	7	3,790	4,480
Creditors amounts falling due within one year	8	(7,865)	(8,518)
<b>Net current liabilities</b>		<b>(4,075)</b>	<b>(4,038)</b>
<b>Total assets less current liabilities</b>		<b>(144)</b>	<b>(107)</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	(144)	(107)
<b>Total shareholders' deficit</b>	11	<b>(144)</b>	<b>(107)</b>

The financial statements on pages 6 to 13 were approved by the board of Directors on 29 July 2013 and were signed on its behalf by



C W Horton  
Director  
29 July 2013

# **LINPAC Packaging China Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2012**

### **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 publically 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 year under review and where that loss is forecast to continue.

#### **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.

#### **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.

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 1 Accounting policies (continued)

#### 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

### 2 Directors and employee information

The company has no employees (2011 none) and 3 Directors (2011 4) None of the Directors received any remuneration for their services to the company (2011 £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 (2011 £3,500) have been borne by the parent company, LINPAC Packaging Limited and not recharged

### 4 Interest receivable and interest payable

	2012	2011
	£'000	£'000
<hr/>		
<b>Interest receivable and similar income</b>		
Group loans	268	285
<hr/>		
	2012	2011
	£'000	£'000
<hr/>		
<b>Interest payable and similar charges</b>		
Group loans	(268)	(286)
<hr/>		

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 5 Tax on loss on ordinary activities

#### Analysis of tax during the year

	2012	2011
	£'000	£'000
<b>Current tax</b>		
UK corporation tax on loss for the year	(33)	(74)
Adjustments in respect of previous years	(4)	3
<b>Total tax on loss on ordinary activities</b>	<b>(37)</b>	<b>(71)</b>

#### Factors affecting the tax for the current year

The current tax charge for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The tax charge is explained below

	2012	2011
	£'000	£'000
Loss on ordinary activities before taxation	-	(8)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax at 24.5% (2011 26.5%)	-	2
Other taxes not recoverable	(33)	(76)
Adjustments in respect of previous years	(4)	3
<b>Total current tax</b>	<b>(37)</b>	<b>(71)</b>

There was no unprovided deferred tax at the year end (2011 £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 was substantially enacted on 3 July 2012.

Further reductions to the main rate were substantively enacted on 2 July 2013 to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These rate reductions had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 6 Fixed asset investments

The subsidiary company investments are as follows

	<b>Total £'000</b>
<hr/>	
<b>Cost and net book amount</b>	
At 1 January and 31 December 2012	<b>3,931</b>

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

	<b>2012 £'000</b>	<b>2011 £'000</b>
Amounts owed by group undertakings	<b>68</b>	641
Group loans	<b>3,722</b>	3,839
	<b>3,790</b>	4,480

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% (2011 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 2012 (continued)

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

	2012	2011
	£'000	£'000
Amounts owed to group undertakings	246	707
Group loans	7,618	7,748
Corporation tax	1	63
	<b>7,865</b>	<b>8,518</b>

Amounts owed to group undertakings are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, of which £3,723,000 bear interest rates between 3.25% and 7.4% and £3,895,000 incurs no interest (2011 £3,839,000 bears interest rates between 3.25% and 7.4% and £3,909,000 incurs no interest) There is no fixed date of repayment for the group loans

### 9 Called up share capital

	2012	2011
	£'000	£'000
Allotted and fully paid – 2 (2011: 2) ordinary shares of £1 each	-	-

### 10 Profit and loss account

	£'000
At 1 January 2012	(107)
Loss for the financial year	(37)
<b>At 31 December 2012</b>	<b>(144)</b>

# LINPAC Packaging China Holdings Limited

## Notes to the financial statements for the year ended 31 December 2012 (continued)

### 11 Reconciliation of movements in shareholders' deficit

	2012	2011
	£'000	£'000
Opening shareholders' deficit	(107)	(28)
Loss for the financial year	(37)	(79)
Closing shareholders' deficit	(144)	(107)

### 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.