

Registered number
13327

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Report and Accounts

31 December 2007

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Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Report and accounts for the year ended 31 December 2007
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Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Company Information

Directors

C Cole

C A Hunt

C Skilich

Secretary

G P Fenwick

Auditors

Deloitte LLP

Nottingham

Registered office

Building 1, 1st Floor

Aviator Park

Station Road

Addlestone, Surrey

KT15 2PG

Registered number

13327

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Directors' Report

The directors present their report and audited accounts for the year ended 31 December 2007.

Principal activities and review of the business

The company's ultimate parent undertaking and controlling party at the start of the year was Anglo American plc. Following the demerger from Anglo American plc on 3rd July 2007 the company's ultimate parent undertaking and controlling party is Mondi plc, and the company's immediate parent undertaking is Mondi Packaging (Delta) Limited. Copies of the group financial statements of Mondi plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Subsequent to the year end the company changed its name from Mondi Packaging Holcombe Limited to Mondi Holcombe Limited.

The company's principal activity was the manufacture of paper primarily for the converting trades. There have not been any significant changes in the company's principal activities in the year under review. As disclosed in note 18 to the accounts the company's only operating plant at Holcombe Mill has been closed since the year end and the company has ceased trading. As a result the accounts have been prepared on a basis other than that of a going concern, as detailed in note 1 to the accounts. This closure reflects the plant's high cost position, in particular rising energy costs, against a backdrop of declining demand as the economy continues to slow, moving the plant into an operating loss position, which is not sustainable given the company's financial position.

As shown in the company's profit and loss accounts, the company's sales have increased by 12% over the prior year. The company has turned a loss after tax for the previous year into a profit for the current year. This improvement is in part attributable to increased turnover and improved gross profit margin. It is also attributable to the final contribution for the defined benefit pension scheme in the previous year for which there is no corresponding charge this year, and a net release of £812,000 from environmental and closure provisions in respect of the Creams Mill which was closed in December 2004. There is also a substantial tax charge arising from the write off of the deferred tax asset brought forward of £2,648,000 which is no longer recoverable as a result of the cessation of operations after the year end. The company's net liability position has improved from net liabilities of £934,000 to net liabilities of £614,000

	2007	2006
Gross Profit %	28.48%	21.15%
Operating Profit/(Loss) %	13.97%	(11.47)%

Results and dividends

Details of the results for the year are shown in the profit and loss account. The directors do not recommend the payment of a dividend (2006: Nil).

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Directors' Report

Principal risks and uncertainties

The company is exposed to interest rate changes as a result of financing being held at floating rates. The risk is minimised however due to the fact that all funding is internal with scope for negotiation. From June 2007 the banking has been held within a cash pool with the UK having an overall positive cash balance.

The company is partially exposed to exchange rate fluctuations in the Euro Zone as a result of holding inter-company balances in foreign currencies. Foreign currency bank accounts are held to minimise this risk. No derivatives are used.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this Report. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in the notes to the accounts.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Directors' Report

Payment policy and practice

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of those terms and to abide by them. Creditor days in 2007 are 30 days (2006: 37 days).

Directors' indemnities

The company, via its ultimate parent undertaking, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the previous year and remain in force at the date of this report.

Directors

The following directors served during the year:

F T Allan	(resigned 13 May 2008)
C Cole	
H Rode	(resigned 30 March 2007)
C Skilich	(appointed 30 March 2007)

The following director was appointed since the year end

C A Hunt (appointed 13 May 2008)

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Directors' Report

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

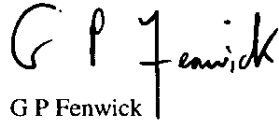
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors.

This report was approved by the board on 23 January 2009.

A handwritten signature in black ink, appearing to read 'G P Fenwick', with a vertical line extending downwards from the 'F'.

G P Fenwick
Secretary

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Independent auditors' report
to the shareholders of Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

We have audited the accounts of Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited) for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts 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 accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts 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 accounts.

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 with the company 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Independent auditors' report

to the shareholders of Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Opinion

In our opinion:

- the accounts 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 profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Emphasis of matter - Accounts prepared other than on a going concern basis

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosures in note 1 to the accounts which explains that the accounts have been prepared on a basis other than that of a going concern, as a result of the company ceasing to trade after the year end.

Deloitte LLP

Deloitte LLP
Chartered accountants and registered auditors

Nottingham
UK

26th January 2009

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Profit and Loss Account
for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	2	25,397	22,764
Cost of sales		(18,164)	(17,949)
Gross profit		<u>7,233</u>	<u>4,815</u>
Distribution costs		(1,220)	(1,147)
Administrative expenses - other		(2,456)	(2,669)
Administrative expenses - Final defined benefit pension scheme contribution		-	(3,611)
Administrative expenses - release environmental provision		1,100	-
Administrative expenses - write down of fixed assets to net realisable value		(821)	-
Administrative expenses - additional site closure provision		(288)	-
Operating profit/(loss)	3	<u>3,548</u>	<u>(2,612)</u>
Interest receivable	5	202	76
Interest payable	6	(104)	(134)
Profit/(loss) on ordinary activities before taxation		<u>3,646</u>	<u>(2,670)</u>
Tax on profit/(loss) on ordinary activities	7	(3,326)	979
Profit/(loss) for the financial year	16,17	<u>320</u>	<u>(1,691)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit/(loss) for the above two financial years. Accordingly no statement of recognised gains and losses is given.

Note of historical cost profits and losses

There is no difference between the result disclosed in the profit and loss account and the result of an unmodified historical cost basis because revalued assets have been fully impaired in previous years.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Balance Sheet
as at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	8	489	1,438
Current assets			
Stocks	9	1,261	1,037
Debtors	10	6,812	10,464
Cash at bank and in hand		5,206	3,097
		<u>13,279</u>	<u>14,598</u>
Creditors: amounts falling due within one year	11	(12,486)	(7,884)
Net current assets		<u>793</u>	<u>6,714</u>
Total assets less current liabilities		<u>1,282</u>	<u>8,152</u>
Creditors: amounts falling due after more than one year	12	-	(6,234)
Provisions for liabilities			
Other provisions	14	(1,896)	(2,852)
Net liabilities		<u>(614)</u>	<u>(934)</u>
Capital and reserves			
Called up share capital	15	11,759	11,759
Profit and loss account	16	(12,373)	(12,693)
Shareholders' (deficit)	17	<u>(614)</u>	<u>(934)</u>



C A Hunt

Director

Approved by the board on 23 January 2009.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)

Notes to the Accounts

for the year ended 31 December 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of freehold and leasehold properties and in accordance with applicable United Kingdom Accounting Standards. These accounting policies have been applied consistently in both the current and prior year.

Basis of preparation

As explained in note 18 since the year the company's plant at Holcombe Mill has been closed and the company has ceased trading. The accounts have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The accounts do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

Cashflow statement

The company is exempt from preparing a cashflow statement on the basis that a consolidated cashflow statement which includes the company is presented in the financial statements of the ultimate parent undertaking, Mondi plc.

Tangible fixed assets

Fixed assets are stated at cost, less depreciation net of any impairment. Depreciation is not provided on freehold land or assets under construction. Depreciation on other assets is provided on cost or revalued amount in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2.5% per annum
Leasehold land and buildings	over the lease term
Plant and machinery	5% - 50% per annum

The transitional arrangements of FRS 15 are being adopted in the case of assets included within Land and Buildings. The company is not continuing the revaluation policy relating to these assets.

Stocks

Stocks and work-in-progress, are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production.

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which 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 tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to remit these earnings. 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.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases

Operating lease rentals are charged to income in equal amounts over the lease term.

Pensions

Defined contribution pension scheme

Defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in the accounting period.

Defined benefit pension scheme

The company adopted FRS17 Retirement Benefits. However, because the company's share of net assets and liabilities of the scheme could not be separately identified, contributions to the defined benefit scheme were charged to the profit and loss account as they became payable. The defined benefit pension scheme was transferred during the previous year to the Anglo UK pension scheme.

2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit is attributable to one activity, the manufacture of paper.

Analysis by geographical market:	2007	2006
	£'000	£'000
United Kingdom	22,465	21,302
Other European Countries	2,932	1,462
	<u>25,397</u>	<u>22,764</u>

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

3 Operating profit/(loss)	2007	2006
	£'000	£'000
This is stated after charging/(crediting):		
Depreciation of owned fixed assets	(343)	418
Operating lease rentals - plant and machinery	118	139
Release of environmental provision	(1,100)	-
Additional site closure provision	288	-
Write down of fixed assets to net realisable value	821	-
Final defined benefit pension scheme contribution	-	3,611
Auditors' remuneration for audit services	18	10
Losses on exchange	13	21

Auditors' remuneration shown is for the audit of the company's annual accounts, and there are no auditors' remuneration non audit fees to disclose in the current or prior year.

4 Information regarding directors and employees	2007	2006
	£'000	£'000
Wages and salaries	2,401	2,335
Social security costs	239	241
Other pension costs	144	112
	<u>2,784</u>	<u>2,688</u>

Average number of employees during the year	Number	Number
Administration	10	11
Manufacturing	79	79
	<u>89</u>	<u>90</u>

In both the current and prior year the directors have not received any remuneration for their services to this company.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

5 Interest receivable	2007	2006
	£'000	£'000
Bank interest receivable	83	-
Interest receivable from group undertakings	119	76
	<u>202</u>	<u>76</u>

6 Interest payable	2007	2006
	£'000	£'000
Interest payable to group undertakings	<u>104</u>	<u>134</u>

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

7 Taxation	2007	2006
	£'000	£'000
Analysis of charge/(credit) in period		
Current tax:		
Group relief	721	-
Adjustments in respect of previous periods	(43)	(275)
	<u>678</u>	<u>(275)</u>
 Deferred tax:		
Origination and reversal of timing differences	2,648	(704)
 Tax on profit/(loss) on ordinary activities	<u>3,326</u>	<u>(979)</u>

Factors affecting tax charge/(credit) for period

A substantial part of the tax charge for the year relates to write off of the deferred tax asset which is no longer recoverable due to the intended cessation of operations. The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2006: 30%). The actual tax charge/(credit) for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	2007	2006
	£'000	£'000
Profit/(loss) on ordinary activities before tax	<u>3,646</u>	<u>(2,670)</u>
 Standard rate of corporation tax in the UK	30%	30%
	£'000	£'000
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	1,094	(801)
 Effects of:		
Expenses not deductible for tax purposes	6	(6)
Depreciation in excess of capital allowances	208	84
Movements in provisions	(543)	620
Adjustment for transfer pricing	-	22
Group relief not paid for	-	81
Industrial buildings allowances claimed	(44)	-
Adjustments to tax charge in respect of previous periods	(43)	(275)
	<u>678</u>	<u>(275)</u>
 Current tax charge/(credit) for period		

Factors that may affect future tax charges

Future tax charges will be affected by the change in the full rate of corporation tax to 28% with effect from 1 April 2008. Deferred tax balances have therefore been restated at 28%.

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

8 Tangible fixed assets

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2007	3,111	4,031	16,154	23,296
Additions	-	-	350	350
At 31 December 2007	<u>3,111</u>	<u>4,031</u>	<u>16,504</u>	<u>23,646</u>
Depreciation				
At 1 January 2007	3,111	4,031	14,716	21,858
Charge for the year	-	-	478	478
Impairment of fixed assets	-	-	821	821
At 31 December 2007	<u>3,111</u>	<u>4,031</u>	<u>16,015</u>	<u>23,157</u>
Net book value				
At 31 December 2007	<u>-</u>	<u>-</u>	<u>489</u>	<u>489</u>
At 31 December 2006	<u>-</u>	<u>-</u>	<u>1,438</u>	<u>1,438</u>

Buildings were revalued in 1994 on the basis of existing use value by the directors of the company at that time, and that valuation was incorporated in the company at that time. The value of the buildings has been impaired to nil in previous years and there is therefore no difference between the historical cost value of these assets and the value in the accounts: the value on both bases is nil.

9 Stocks	2007 £'000	2006 £'000
Raw materials and consumables	358	377
Work in progress	3	3
Finished goods and goods for resale	900	657
	<u>1,261</u>	<u>1,037</u>

10 Debtors	2007 £'000	2006 £'000
Trade debtors	1,255	2,385
Amounts owed by group undertakings	5,465	4,060
Prepayments and accrued income	92	151
Group relief receivable	-	1,220
Deferred tax asset	-	2,648
	<u>6,812</u>	<u>10,464</u>

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

11 Creditors: amounts falling due within one year	2007	2006
	£'000	£'000
Trade creditors	1,763	2,093
Amounts owed to group undertakings	7,020	3,450
Group relief payable	446	-
Other taxes and social security costs	1,091	620
Accruals and deferred income	2,166	1,721
	<u>12,486</u>	<u>7,884</u>

12 Creditors: amounts falling due after one year	2007	2006
	£'000	£'000
Amounts owed to group undertakings	<u>-</u>	<u>6,234</u>

13 Deferred taxation	2007	2006
	£'000	£'000
Accelerated capital allowances	-	(946)
Other timing differences	<u>-</u>	<u>(1,702)</u>
Provision for deferred tax (asset)	-	(2,648)

	2007	2006
	£'000	£'000
Deferred tax (asset)/liability		
At 1 January	(2,648)	(1,944)
Utilised in year	-	(704)
Deferred tax asset written off	2,648	-
	<u>-</u>	<u>(2,648)</u>
At 31 December	-	(2,648)
Deferred tax asset included in debtors	-	2,648

Deferred tax assets have not been provided for because they are not considered recoverable as a result of the cessation of trading after the year end: the balance not provided for is as follows

	2007	2006
	£'000	£'000
(Asset) arising from accelerated capital allowances	(371)	(152)
(Asset) arising from other short term differences	(1,081)	-
	<u>(1,452)</u>	<u>(152)</u>

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

14 Provisions for liabilities

	Closure provision	Environme- ntal provision	Total provisions £'000
At 1 January 2007	-	2,852	2,852
Additional provisions made during the period	288	-	288
Amounts used	(141)	(3)	(144)
Amounts reversed unused	-	(1,100)	(1,100)
At 31 December 2007	<u>147</u>	<u>1,749</u>	<u>1,896</u>

Management made an original provision of £3,000,000 for eventual environment clean up costs. These costs have been indemnified by another group company. During the year management have revised the required provision downwards by £1,100,000. The payment dates of total expected future clean up costs are uncertain.

During the year management have made a provision of £288,000 for site closure costs, and actual costs were incurred in the year against this provision of £141,000. The balance in respect of closure costs will be utilised in 2008.

15 Share capital	2007 No	2006 No	2007 £'000	2006 £'000
Authorised:				
Ordinary shares of £1 each	11,759,000	11,759,000	<u>11,759</u>	<u>11,759</u>
	2007 No	2006 No	2007 £'000	2006 £'000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	11,759,000	11,759,000	<u>11,759</u>	<u>11,759</u>

16 Profit and loss account	2007 £'000	2006 £'000
At 1 January	(12,693)	(11,002)
Profit/(loss) for the financial year	320	(1,691)
At 31 December	<u>(12,373)</u>	<u>(12,693)</u>

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

17 Reconciliation of movement in shareholders' funds/(deficit)	2007	2006
	£'000	£'000
At 1 January: Shareholders' (deficit)/funds	(934)	757
Profit/(loss) for the financial year	320	(1,691)
At 31 December: Shareholders' (deficit)	<u>(614)</u>	<u>(934)</u>

18 Post balance sheet events

On 22 September 2008 it was announced that it was intended to close the company's operating plant at Holcombe Mill, and that closure has since taken place.

19 Pension commitments

Defined contribution scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amount to £143,986 (2006: £111,576). There were no accrued pension contributions at the end of the year.

Defined benefit scheme

The assets and the liabilities of the Mondi Packaging (Delta) Pension Fund were transferred to the Anglo UK Pension Scheme in the previous year, on 10 April 2006. Prior to this a special contribution was made of £3,611,084. The effect of this transfer was that the company has no further liability for contributions and has no interest in the assets or liabilities of the Anglo UK Pension scheme present or future. The principal employer of the merged scheme is Anglo American Services (UK) Limited.

20 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Other	Other
	2007	2006
	£'000	£'000
Operating leases which expire:		
within one year	-	12
within one to two years	23	11
within two to five years	83	14
	<u>106</u>	<u>37</u>

Mondi Holcombe Limited (formerly Mondi Packaging Holcombe Limited)
Notes to the Accounts
for the year ended 31 December 2007

21 Related parties

As a wholly owned subsidiary of Mondi plc, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Mondi plc.

22 Controlling party

Following the demerger from Anglo American plc on 3rd July 2007 the company's ultimate parent undertaking and controlling party is Mondi plc, a company which is incorporated in England and Wales. Copies of the group financial statements of Mondi plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. Mondi plc is the only company producing group accounts.

The company's immediate parent undertaking is Mondi Packaging (Delta) Limited.