

**Teich Flexible Packaging Limited**

**Report and Financial Statements**

**31 December 2006**

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# **Teich Flexible Packaging Limited**

## **REPORT AND FINANCIAL STATEMENTS 2006**

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**Teich Flexible Packaging Limited**

**REPORT AND FINANCIAL STATEMENTS 2006**

**DIRECTORS AND THEIR ADVISERS**

**DIRECTORS**

S A Moensted

**SECRETARY**

S C Drummond

**REGISTERED OFFICE**

c/o Constantia Sittingbourne Limited  
Eurolink Commercial Park  
Bonham Drive  
Sittingbourne  
Kent  
ME10 8RY

**INDEPENDENT AUDITORS**

Deloitte & Touche LLP  
Edinburgh, UK

# Teich Flexible Packaging Limited

## DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2006. The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 1985.

### Principal activity, results and dividends

The company did not trade during the year or the preceding year. The Directors are satisfied with the company's state of affairs. It is the intention of the board to have this company struck off the registrar of companies during 2008.

### Directors and their interests

The directors who served during the year were as follows:

S Moensted

T Findlay (resigned November 8, 2007)

None of the directors held any beneficial interest in the share capital of the company at any time during the year or to the date of this report.

### Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date of approval of this report:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's 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 & Touche LLP were appointed auditors during the year and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed by order of the Board



S C Drummond

Secretary

Date 14 February, 2008

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 financial statements, 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 proper accounting records that 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 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEICH FLEXIBLE PACKAGING LIMITED**

We have audited the financial statements of Teich Flexible Packaging Limited for year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. These financial statements 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 financial statements 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 financial statements 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 financial statements 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 financial statements.

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 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEICH FLEXIBLE PACKAGING LIMITED (CONTINUED)**

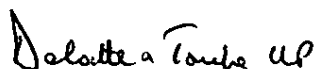
### **Opinion**

In our opinion

- the financial statements 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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

### **Emphasis of matter- financial statements prepared on a basis other than that of a going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Edinburgh, UK

26<sup>th</sup> February 2008

## Teich Flexible Packaging Limited

### PROFIT AND LOSS ACCOUNT Year ended 31 December 2006

	Note	2006 £	Unaudited 2005 £
Forgiveness of intercompany balances	2	9,291,963	-
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		9,291,963	-
Tax charge on profit on ordinary activities	3	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>9,291,963</u>	<u>-</u>

The accompanying notes are an integral part of this profit and loss account

The results for the current and preceeding year relate wholly to discontinued activities

There have been no recognised gains or losses other than the results for the period



# Teich Flexible Packaging Limited

## BALANCE SHEET As at 31 December 2006

	Note	2006 £	Unaudited 2005 £
<b>CURRENT ASSETS</b>			
Debtors	4	-	5,708,037
		-	5,708,037
<b>CREDITORS: Amounts falling due within one year</b>	5	-	(15,000,000)
		-	(9,291,963)
<b>NET LIABILITIES</b>		-	(9,291,963)
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	6	4,240,701	4,240,701
Profit and loss account	7	(4,240,701)	(13,532,664)
<b>SHAREHOLDERS' DEFICIT</b>	8	-	(9,291,963)

These financial statements were approved by the Board of Directors on *4 February*, 2008

Signed on behalf of the Board of Directors

  
S A Moensted

Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2006**

**1. BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

**Taxation & deferred taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the 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. PROFIT AND LOSS ACCOUNT**

The company did not trade during the year or the preceding year. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. The financial statements do not include any provision for the future costs of termination of the company except to the extent that such were committed at the balance sheet date. It is the intention of the board to have this company struck off the registrar of companies during 2008

The write off of intercompany receivables (note 4) and payables (Note 5) disclosed net on the face of the profit and loss account represent amounts due from and to fellow group undertakings which have been forgiven

The auditor's remuneration of £1,000 (2005 – nil) was borne by another group undertaking in the current financial year

There were no employees other than the directors in both years. The directors received no remuneration in respect of their services to the company in either year

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2006**

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The standard rate of tax for the year based on the UK standard rate of corporation tax is 30% (2005 30%)  
 The actual current tax charge for the year differed from the standard rate for the reasons set out in the following reconciliation -

	2006 £	Unaudited 2005 £
Profit on ordinary activities before tax	9,291,963	-
Tax charge on profit on ordinary activities at standard rate	2,787,589	
<b>Factors affecting the charge for the period:</b>		
Income not taxable	(2,787,589)	-
Total current tax	-	-

The company has no deferred tax asset or liability in either year

**4. DEBTORS**

	2006 £	Unaudited 2005 £
Amounts owed by group undertakings	-	5,708,037

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	Unaudited 2005 £
Amounts owed to group undertakings	-	15,000,000

**6. CALLED-UP SHARE CAPITAL**

	2006 £	Unaudited 2005 £
<i>Authorised</i>		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
<i>Allotted, called-up and fully paid</i>		
4,240,701 ordinary shares of £1 each	4,240,701	4,240,701

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2006**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2006 £</b>	<b>Unaudited 2005 £</b>
Amounts owed to group undertakings	-	15,000,000

**8. CALLED-UP SHARE CAPITAL**

	<b>2006 £</b>	<b>Unaudited 2005 £</b>
<i>Authorised</i>		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
<i>Allotted, called-up and fully paid</i>		
4,240,701 ordinary shares of £1 each	4,240,701	4,240,701

**7. MOVEMENTS IN RESERVES**

	<b>Profit and loss account</b>
At 1 January 2006 - unaudited	(13,532,664)
Profit for the financial year	9,291,963
At 31 December 2006	(4,240,701)

**8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006 £</b>	<b>Unaudited 2005 £</b>
Profit for the financial year	9,291,963	-
Net increase in shareholders' funds	9,291,963	
Opening shareholders' deficit- unaudited	(9,291,963)	(9,291,963)
Closing shareholders' deficit	-	(9,291,963)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 31 December 2006**

**9. ULTIMATE CONTROLLING PARTY AND PARENT UNDERTAKING**

The immediate parent undertaking is Danapak Flexibles Limited, which is incorporated in England and Wales. Copies of this company's financial statements can be obtained from Kemback Street, Dundee DD4 6ET.

The parent undertaking of the smallest group for which group financial statements are drawn up and of which this company is a member is Constantia (UK) Limited, which is incorporated in England & Wales. Copies of this company's financial statements can be obtained from Kemback Street, Dundee DD4 6ET.

The ultimate controlling party and parent undertaking of the largest group for which group financial statements are drawn up and of which this company is a member is Constantia Packaging AG, which is incorporated in Austria. Copies of these financial statements can be obtained from A-1010 Wien, Opernring 17, Austria.

**10. RELATED PARTY TRANSACTIONS**

As a subsidiary undertaking of Constantia (UK) Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Constantia (UK) Limited.