Xtrapack Limited

Directors' report and financial statements

Registered number 03872127

31 December 2005

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activities

The principal activity of the company is to license packaging products.

Business review

The results for the year ended 31 December 2005 are shown in the profit and loss account on page 5.

Proposed dividend

The directors do not recommend the payment of a dividend *(2004: £nil)*.

Directors and directors' interests

The directors who held office during the year were as follows:

RM King	
HM King	
CM King	
MW Litobarski	(resigned 9 August 2005)
JP Mann	(resigned 17 February 2006)
SC Joy	
D MacNair	(appointed 9 August 2005)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. The interests of RM King, HM King and CM King in the ordinary shares of the ultimate parent company, International Group Limited, are disclosed in the directors' report and financial statements of that company. These can be obtained from the address given in note 14. SC Joy, D MacNair and JP Mann had no interests in any of the group companies.

According to the register of directors' interests, no rights to subscribe for shares of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Political and charitable contributions

The company made no political or charitable contributions during the year *(2004: £nil)*.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

H. M. K

HM King
Director

The Manor House
Park Road
Stoke Poges
Bucks
SL2 4PG

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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; 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Independent auditors' report to the members of Xtrapack Limited

We have audited the financial statements of Xtrapack Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditor's 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 Xtrapack Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

30 OCT 2006

Profit and loss account
for the year ended 31 December 2005

	Note	2005 £000	2004 £000
Turnover	2	**3,312**	90
Cost of sales		**(171)**	-
Gross profit		**3,141**	90
Administrative expenses		**(52)**	(248)
Operating profit/(loss)		**3,089**	(158)
Other interest receivable and similar income	5	**8**	3
Profit/(loss) on ordinary activities before taxation	3	**3,097**	(155)
Tax on profit/(loss) on ordinary activities	6	**(514)**	-
Profit/(loss) on ordinary activities after taxation and profit/(loss) for the financial year		**2,583**	(155)

The results for the current and preceding years were derived from continuing operations.

There are no recognised gains or losses during the current or preceding year other then those reflected in the profit and loss account.

Balance sheet
at 31 December 2005

	Note	**2005** **£000**	2004 £000
Current assets			
Debtors	*7*	**492**	403
Cash at bank and in hand		**2,271**	127
		2,763	530
Creditors: amounts falling due within one year	*8*	**(642)**	(992)
Net assets/(liabilities)		**2,121**	(462)
Capital and reserves			
Called up share capital	*10*	**-**	-
Share premium account	*12*	**774**	774
Profit and loss account	*12*	**1,208**	(1,375)
Capital contribution reserve	*12*	**139**	139
Shareholder's funds	*11*	**2,121**	(462)

These financial statements were approved by the board of directors on 21st Sept. 2006 and were signed on its behalf by:

H.M.K

HM King
Director

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date';
- The presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

FRS 21 'Events after the balance sheet date' and the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure' have had no effect on the company.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers together with other fees received in respect of service contracts. Turnover is recognised when goods and services have been supplied to and accepted by the company's clients.

Notes *(continued)*

1 Accounting policies *(continued)*

Financial guarantee contracts

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2 Segmental information

In the opinion of the directors, turnover and the profit on ordinary activities before tax arose in the same class of business and geographical market.

3 Profit/(loss) on ordinary activities before taxation

	2005	2004
	£000	£000
Profit/(loss) on ordinary activities before tax is stated after charging:		
Auditors' remuneration - audit services	**3**	3

4 Remuneration of directors and employees

None of the directors received any emoluments for their services to the company during the year *(2004: £nil)*.

The company has no employees other than the directors *(2004: none)*.

5 Other interest receivable and similar income

	2005	2004
	£000	£000
Bank interest receivable	**8**	3

Notes *(continued)*

6 Taxation

Analysis of charge in year

	2005 £000	2004 £000
UK corporation tax		
Current tax on income for the year	**514**	-
Total current tax and tax on loss on ordinary activities	**514**	-

Factors affecting the tax charge for the current period

The current tax credit for the period is lower *(2004: higher)* than the standard rate of corporation tax in the UK *(30%, 2004: 30%)*. The differences are explained below:

	2005 £000	2004 £000
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	**3,097**	(155)
Current tax at 30% *(2004: 30%)*	**929**	(47)
Effects of:		
Utilisation of tax losses	**(413)**	-
Other short term timing differences	**(2)**	-
Increase in unprovided deferred tax asset in respect of current year tax losses	**-**	47
Total current tax charge (see above)	**514**	-

7 Debtors

	2005 £000	2004 £000
Amounts owed by group undertakings	**491**	399
Other debtors	**1**	4
	492	403

Notes *(continued)*

8 Creditors: amounts falling due within one year

	2005	2004
	£000	£000
Trade creditors	**60**	-
Amounts owed to group undertakings	**28**	-
Amounts owed to related parties	**36**	65
Taxation	**514**	-
Accruals and deferred income	**4**	927
	642	992

9 Deferred taxation

There were no deferred tax assets or liabilities at the end of the financial year *(2004: £413,000 asset not recognised).*

10 Called up share capital

	2005	2004
	£	£
Authorised		
90,000 'A' class ordinary shares of £1 each	**90,000**	90,000
210,000 'B' class ordinary shares of £1 each	**210,000**	210,000
	300,000	300,000
Allotted, called up and fully paid		
30 'A' class ordinary shares of £1 each	**30**	30
70 'B' class ordinary shares of £1 each	**70**	70
	100	100
Shares classified in shareholder's funds	**100**	100

'A' shareholders can only appoint and remove 'A' directors and 'B' shareholders can only appoint and remove 'B' directors. In all other respects the shares rank pari passu.

Notes *(continued)*

11 Reconciliation of movement in shareholder's funds

	2005 £000	2004 £000
Profit/(loss) for the financial year	**2,583**	(155)
Capital contribution	**-**	139
Net increase/(reduction) in shareholder's funds	**2,583**	(16)
Opening shareholder's deficit	**(462)**	(446)
Closing shareholder's funds	**2,121**	(462)

12 Reserves

	Share premium account £000	Profit and loss account £000	Capital contribution reserve £000
At beginning of year	774	(1,375)	139
Profit for the year	-	2,583	-
At end of year	**774**	**1,208**	**139**

In 2004 a contribution of *£139,000* was received from shareholders. It was classified as a capital contribution reserve.

13 Commitments

At the end of the financial period the company had no unprovided capital commitments *(2004: £nil)*.

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate parent company is International Packaging Limited, a company incorporated in England and Wales.

The company's ultimate parent company and the largest and smallest group in which its results are consolidated is that headed by International Group Limited, a company incorporated in England and Wales. The consolidated financial statements of International Group Limited can be obtained from The Manor House, Park Road, Stoke Poges, Bucks, SL2 4PG.

Notes *(continued)*

15 Related party transactions

The company is controlled by International Packaging Limited, the immediate parent undertaking, which controls 70% of the company's voting rights.

The company's ultimate controlling party is RM King, by virtue of his shareholding in the ultimate parent company.

During the year the company had the following related party transactions:-

a) A management charge of £14,000 *(2004: £nil)* was charged by Cadbury Schweppes plc, which owns 30% of the ordinary shares of the company. As at 31 December 2005 the company has £36,000 trading creditor balance *(2004: £39,000)* and £nil loan balance *(2004: £26,000)* outstanding with Cadbury Schweppes plc.

b) A management charge of £28,000 *(2004: £nil)* was charged by International Packaging Limited, which owns 70% of the ordinary shares of the company. As at 31 December 2005 the company has £28,000 trading creditor balance *(2004: £nil)* outstanding with International Packaging Limited. As at 31 December 2005, International Packaging Limited owes the company £491,000 *(2004: £399,000)* as a result of a loan made during 2003.

c) A management charge was payable to International Hospitals Group Limited for £nil *(2004: £13,000)* for accounting services provided during the year. International Hospitals Group Limited is related by virtue of the fact that it is part of the same group as Xtrapack Limited.