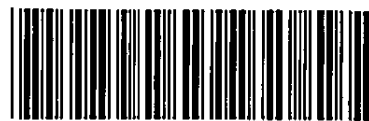


CAN-PACK UK LIMITED

Report and Financial Statements

31 December 2009

THURSDAY



APKK8M30

A56

29/07/2010

46

COMPANIES HOUSE

PL

CAN-PACK UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS

Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditors' report	5
Income statement	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9



CAN-PACK UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Prawdzic-Laszcz
P M Fisher (appointed 12 January 2010)
R M Wojcik
M B Burkinshaw (appointed 12 May 2010)

SECRETARY

J Prawdzic-Laszcz

REGISTERED OFFICE

Plot 18
Skippingdale Industrial Estate
Scunthorpe
North Lincolnshire
DN15 8NN

BANKERS

HSBC
84 High Street
Scunthorpe
North Lincolnshire
DN15 6HQ

SOLICITORS

Wilkin Chapman
P O Box 16
Town Hall Square
Grimsby
North East Lincolnshire
DN31 1HE

AUDITORS

Deloitte LLP
Chartered Accountants & Statutory Auditors
Leeds
LS1 2AL

CAN-PACK UK LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2009

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Can-Pack SA, a company registered in Poland, and its principal activity is the manufacture of aluminium beverage cans. The company has, as expected, returned a loss for the financial year. The first 3 months of the year were primarily focussed on bringing the production line up to full efficiency and establishing a quality of product which was acceptable to our customers. Thereafter the line was fully operational, but due to customer demand was running beneath its full capacity, and it is a combination of these two factors which are responsible for the results reported.

The company has received a claim in relation to an alleged breach of patent in respect of one of the processes in its production line. No amounts are provided in the statutory accounts with regard to this claim as the claimant has not yet quantified this claim and consequently it is not possible to make a reliable estimate. The directors intend to defend the claim vigorously as they believe it to be unfounded, though at this stage it is not known how strong the prospects are of being successful.

FUTURE DEVELOPMENTS

Sales in the first 3 months of 2010 were slow, but have picked up from April which will hopefully allow the company to achieve its targeted annual sales. Current customer contracts are being renegotiated with a view to extensions, and new customers, both in the UK and abroad, are being actively sought. It is expected that 2010 will still return a loss, but will set the company up well for breakeven and profits in 2011 and beyond.

RESULTS AND PROPOSED DIVIDENDS

The results for the year are dealt with in the income statement on page 6.

The directors do not recommend the payment of a dividend.

POLITICAL AND CHARITABLE CONTRIBUTIONS

It is the company's policy not to make contributions for political purposes. There were no donations to UK charities during the period.

GOING CONCERN

The company's business activities, together with expected future developments and performance, are set out above. Note 23 of these financial statements includes the company's objectives, policies and processes for managing its capital, along with its exposure to credit risk and liquidity risk.

The company has sufficient financial resources, together with long term contracts with a number of its major customers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries and producing detailed cash flow projections based upon contracted sales, as well as reviewing the financial position of the company and obtaining assurances of the continued support from the Can-Pack SA Group, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors adopted the going concern basis in preparing the financial statements.

DIRECTORS

The directors who served during the period and subsequently were as follows:

J Prawdzic-Laszcz

M R Fijalkowski (resigned 12 January 2010)

R M Wojcik

P M Fisher (appointed 12 January 2010)

M B Burkinshaw (appointed 12 May 2010)

CAN-PACK UK LIMITED

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved.

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information 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 Section 418 of the Companies Act 2006

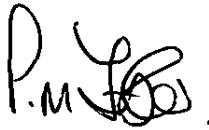
AUDITORS

A resolution to re-appoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



R Wojcik
Director
23 July 2010



P.M. FISHER
ACTING MD

DIRECTORS' RESPONSIBILITIES STATEMENT

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAN-PACK UK LIMITED

We have audited the financial statements of Can-Pack UK Limited for the year ended 31 December 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, 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 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 (APB's) Ethical Standards for Auditors.

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.

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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of 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.

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.



David Johnson BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Leeds, United Kingdom
23 July 2010



CAN-PACK UK LIMITED

INCOME STATEMENT Year ended 31 December 2009

	Note	Year ended 31 December 2009 £	Period ended 31 December 2008 £
REVENUE		29,476,592	-
Cost of sales		27,292,104	-
Gross profit		<u>2,184,488</u>	<u>-</u>
Distribution costs		2,379,217	-
Administrative expenses		4,882,236	798,859
OPERATING LOSS		<u>(5,076,965)</u>	<u>(798,859)</u>
Finance costs		264,430	-
Investment revenue	5	(705)	(8,832)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	<u>(5,340,690)</u>	<u>(790,027)</u>
Tax expense	7	<u>1,833</u>	<u>-</u>
LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY		<u><u>(5,342,523)</u></u>	<u><u>(790,027)</u></u>

There was no recognised income and expenditure in the current year other than the loss for the year as shown above and consequently no statement of other comprehensive income has been presented

All amounts relate to continuing operations

The accompanying notes form an integral part of these financial statements.

 6

CAN-PACK UK LIMITED

BALANCE SHEET At 31 December 2009

	Note	31 December 2009 £	31 December 2008 £
NON-CURRENT ASSETS			
Intangible fixed assets	8	263,513	54,559
Property, plant and equipment	9	26,824,306	23,754,787
Trade and other receivables	11	-	8,750,500
		<u>27,087,819</u>	<u>32,559,846</u>
CURRENT ASSETS			
Inventories	10	5,921,191	813,511
Trade and other receivables	11	11,421,949	5,654,632
Cash and cash equivalents	12	419,660	162,745
Assets held for sale		-	14,774
		<u>17,762,800</u>	<u>6,645,662</u>
TOTAL ASSETS		<u>44,850,619</u>	<u>39,205,508</u>
CURRENT LIABILITIES			
Trade and other payables	13	(6,233,169)	(3,495,035)
NET CURRENT ASSETS		<u>11,529,631</u>	<u>3,150,627</u>
NON-CURRENT LIABILITIES			
Borrowings	14	(10,000,000)	-
TOTAL LIABILITIES		<u>(16,233,169)</u>	<u>(3,495,035)</u>
NET ASSETS		<u>28,617,450</u>	<u>35,710,473</u>
EQUITY			
Share capital	15	34,750,000	36,500,500
Retained earnings	16	(6,132,550)	(790,027)
TOTAL EQUITY	17	<u>28,617,450</u>	<u>35,710,473</u>

The financial statements of Can-Pack UK Limited (company registration number 06366267) were approved by the Board of Directors on 23 July 2010

Signed on behalf of the Board of Directors

R Wojcik
R Wojcik

Director

P.M. Fisher
P.M. Fisher
Acting MD

The accompanying notes form an integral part of these financial statements

*PW*⁷

CAN-PACK UK LIMITED**CASH FLOW STATEMENT**
Year ended 31 December 2009

		Year ended 31 December 2009	Period ended 31 December 2008
	Note	£	£
Net cash used in operating activities	24	(13,299,485)	(2,623,716)
Net cash used in investing activities	24	(6,750,451)	(21,656,688)
Net cash from financing activities	24	20,306,851	24,443,149
Net increase in cash and cash equivalents		256,915	162,745
Cash and cash equivalents at beginning of financial period		162,745	-
Cash and cash equivalents at end of financial period		419,660	162,745

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

1. GENERAL INFORMATION

Can-Pack UK Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' Report on page 2.

The following Standards are effective for the current period:

IFRS 8	Operational Segments
IAS 1 (revised 2007)	Presentation of Financial Statements
IAS 16 (amended 2008)	Property, plant and equipment
IAS 38 (amended 2009)	Intangible assets

The adoption of these Standards has not led to any changes to the company's accounting policies and has no material impact on the financial statements.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to unlisted entities. The financial statements have also been prepared in accordance with IFRSs adopted by the European Union, and therefore the financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going concern

The company's business activities, together with expected future developments and performance, are set out in the Directors' Report. Note 23 of these financial statements includes the company's objectives, policies and processes for managing its capital, along with its exposure to credit risk and liquidity risk.

The company has sufficient financial resources, together with long term contracts with a number of its major customers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries and producing detailed cash flow projections based upon contracted sales, as well as reviewing the financial position of the company and obtaining assurances of the continued support from the Can-Pack SA Group, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors adopted the going concern basis in preparing the financial statements.

Intangible assets

Intangible assets are stated at cost net of amortisation. Amortisation is provided at rates calculated to write off the costs of each asset over its estimated useful economic life.

Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

 9

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

2. ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant assets is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant assets is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation. Depreciation is provided at rates calculated to write off the cost, less the estimated residual value of each asset, over its estimated useful life as follows

Leasehold improvements	25 years straight line
Production line	Units of production method
Fixtures, fittings & equipment	3 years straight line

Leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term even if the payments are not made on such a basis

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ('FVTPL') or 'other financial liabilities'

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

2. ACCOUNTING POLICIES (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated a FVTPL

A financial liability is classified as held for trading if

- it has been incurred principally for the purpose of disposal in the near future, or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking, or
- it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may be designated as a FVTPL upon initial recognition if

- such designation eliminates or significantly reduces a measurement or recognition inconsistently that would otherwise arise, or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis, or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments *Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss as the Group chose not to disclose the effective interest rate for debt instruments that are classed as fair value through profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 23.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of all interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

2. ACCOUNTING POLICIES (continued)

Revenue

All revenue relates to the principal activities described in the accompanying Directors' Report and arises in the United Kingdom

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for goods and services receivable provided in the normal course of business, net of discounts, VAT and other sales related taxes

Sales of goods are recognised when goods are delivered and title has passed.

Revenues from one customer represent approximately £20.6 million (2008: £nil) of the company's total revenues

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 when, 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 calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Unless the effect of discounting is material, deferred tax is measured on a non-discounted basis

Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date

All differences are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2009

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Inventory provisions

All stock of raw materials, goods for resale and finished products have been counted and the condition assessed as part of the year end stock take procedures. None of the stock is aged greater than 1 year and all is of a satisfactory condition, and therefore the directors do not consider it necessary to make any provision against the value of those stocks. Stock of can ends has been written down to net realisable value as its cost during the year exceeded the sale price to customers. The carrying amount of inventory is £5,921,191 (2008 £813,511).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of the production line

The directors have performed an impairment review of the production line to ensure its carrying value does not exceed its value in use. The value in use calculation was based upon the forecast operating cash flows generated over the life of the line, estimated at 15 years. A suitable discount rate was then applied in order to calculate present value. As a result, it was considered that no impairment is necessary. The carrying amount of the production line is £25,810,320 (2008. £22,578,820).

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2009	Period ended 31 December 2008
	No.	No.
Average number of persons employed (including directors)		
Directors	3	3
Production and operational	133	-
Sales and administration	20	4
	<u>156</u>	<u>7</u>

	Year ended 31 December 2009	Period ended 31 December 2008
	£	£
Staff costs during the year (including directors)		
Wages and salaries	4,310,902	103,036
Social security costs	419,189	10,684
	<u>4,730,091</u>	<u>113,720</u>

Directors' remuneration		
Emoluments	<u>251,014</u>	<u>-</u>

The remuneration of the directors' was borne by another group company in the previous period. The total remuneration paid to these directors for their services to the group in the prior period totalled £320,990

	Year ended 31 December 2009	Period ended 31 December 2008
	£	£
Remuneration of highest paid director:		
Emoluments	<u>177,750</u>	<u>-</u>

Directors' transactions

Details of transactions with directors during the year are disclosed in note 21.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

5. INVESTMENT REVENUE

	Year ended 31 December 2009 £	Period ended 31 December 2008 £
Bank interest	<u>705</u>	<u>8,832</u>

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging/(crediting)

	Year ended 31 December 2009 £	Period ended 31 December 2008 £
Depreciation on property, plant and equipment	1,268,137	9,536
Amortisation of intangible assets	50,118	1,067
Operating lease charges	1,872,000	300,000
Auditors' remuneration		
- fees payable to the company's auditors for the audit of the company's annual accounts	23,000	21,000
Staff costs (Note 4)	4,730,091	113,720
Net foreign exchange (gains)/losses	<u>(137,809)</u>	<u>14,908</u>

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

7. TAX EXPENSE

	Year ended 31 December 2009 £	Period ended 31 December 2008 £
Analysis of charge in year at 28% (2008: 28%)		
Current tax		
Adjustments in respect of prior periods	1,833	-
Total current tax	1,833	-
Deferred tax		
Current year	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	<u>1,833</u>	<u>-</u>
Factors affecting tax on loss on ordinary activities in year		
Loss on ordinary activities before tax	(5,340,690)	(790,027)
Tax on loss on ordinary activities at UK standard rate of 28%	(1,495,393)	(221,208)
Effects of		
Movement in short term timing differences	-	221,208
Tax effect of expenses that are not deductible in determining taxable profit	743	-
Tax effect of utilisation of tax losses not previously recognised	(223,456)	-
Movement in unprovided deferred tax	1,718,106	-
Adjustments in respect of prior period	1,833	-
Tax on loss on ordinary activities for year	<u>1,833</u>	<u>-</u>

There is an unprovided deferred tax asset at 31 December 2009 of £1,718,106 (2008: £nil) in respect of losses carried forward.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

8. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 1 January 2009	55,626
Additions	259,072
	<u>314,698</u>
At 31 December 2009	
Amortisation	
At 1 January 2009	1,067
Amortisation for the year	50,118
	<u>51,185</u>
At 31 December 2009	
Net book value	
At 31 December 2009	<u>263,513</u>
At 31 December 2008	<u>54,559</u>

Computer software is amortised over its useful economic life, which is on average 3 years.

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £	Office equipment £	Plant and equipment £	Assets in course of construction £	Total £
Cost					
At 1 January 2009	639,699	240,372	305,432	22,578,820	23,764,323
Additions	3,372	33,162	20,775	4,280,347	4,337,656
Reclassification	-	-	26,859,167	(26,859,167)	-
	<u>643,071</u>	<u>273,534</u>	<u>27,185,374</u>	<u>-</u>	<u>28,101,979</u>
At 31 December 2009					
Depreciation					
At 1 January 2009	-	6,174	3,362	-	9,536
Charge for the year	25,655	89,423	1,153,059	-	1,268,137
	<u>25,655</u>	<u>95,597</u>	<u>1,156,421</u>	<u>-</u>	<u>1,277,673</u>
At 31 December 2009					
Net book value					
At 31 December 2009	<u>617,416</u>	<u>177,937</u>	<u>26,028,953</u>	<u>-</u>	<u>26,824,306</u>
At 31 December 2008	<u>639,699</u>	<u>234,198</u>	<u>302,070</u>	<u>22,578,820</u>	<u>23,754,787</u>

At 31 December 2009, the company had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £nil (2008 £4 million)

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

10. INVENTORIES

	31 December 2009 £	31 December 2008 £
Raw materials	4,326,647	765,213
Finished goods	1,329,786	-
Goods for resale	264,758	48,298
	<u>5,921,191</u>	<u>813,511</u>

11. TRADE AND OTHER RECEIVABLES

	31 December 2009 £	31 December 2008 £
Due within one year		
Amounts owed by group companies	31,454	928
Trade receivables	10,596,262	-
Other receivables	372,047	30,848
Prepayments and accrued income	422,186	703,643
Other tax	-	1,612,362
Called up share capital not paid	-	3,306,851
	<u>11,421,949</u>	<u>5,654,632</u>
Due after one year		
Called up share capital not paid	-	8,750,500
	<u>-</u>	<u>8,750,500</u>

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

13. TRADE AND OTHER PAYABLES

	31 December 2009 £	31 December 2008 £
Amounts owed to group companies	4,191,781	3,282,478
Other taxation and social security	445,577	17,645
Trade payables	1,358,279	194,912
Other payables	404	-
Accruals and deferred income	237,128	-
	<u>6,233,169</u>	<u>3,495,035</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The credit period taken for trade purchases is within supplier payment terms. For most suppliers no interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

14. BORROWINGS

	31 December 2009 £	31 December 2008 £
Unsecured borrowing at amortised cost		
Loans from related parties	10,000,000	-

All borrowings are denominated in Sterling and are repayable within 3 years Interest is charged monthly at a rate of 3 month LIBOR plus 5%

15. SHARE CAPITAL

	31 December 2009 £	31 December 2008 £
Authorised		
34,750,000 Ordinary shares of £1 (2008: 36,500,000)	34,750,000	36,500,500
Allotted, called up and fully paid		
34,750,000 Ordinary shares of £1 (2008: 24,443,149)	34,750,000	24,443,149
Allotted, called up and not fully paid		
Nil Ordinary shares of £1 (2008: 12,057,351)	-	12,057,351
	34,750,000	36,500,500

The company has one class of ordinary shares which carry no right to fixed income During the year 8,750,500 unpaid shares with a nominal value of £1 each were cancelled, and subsequently an additional 7,000,000 shares with a nominal value of £1 each were authorised, giving a net reduction in the authorised share capital of £1,750,500 as shown above All shares are now fully paid up.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

16. RETAINED EARNINGS

	£
At 1 January 2009	(790,027)
Loss for the financial year	(5,342,523)
	<hr/>
At 31 December 2009	(6,132,550)
	<hr/>

17. STATEMENT OF CHANGES IN EQUITY

	31 December 2009 £	31 December 2008 £
Loss for the financial period	(5,342,523)	(790,027)
Share capital (cancelled)/subscribed	(1,750,500)	36,500,500
	<hr/>	<hr/>
Net (reduction)/addition to equity shareholders' funds	(7,093,023)	35,710,473
Opening equity shareholders' funds	35,710,473	-
	<hr/>	<hr/>
Closing equity shareholders' funds	28,617,450	35,710,473
	<hr/>	<hr/>

Equity comprises share capital and retained earnings

18. FINANCIAL COMMITMENTS

Operating lease commitments

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	Land and buildings	
	31 December 2009 £	31 December 2008 £
Within one year	1,881,000	1,800,000
In second to fifth year	7,524,000	7,200,000
Over five years	35,425,500	35,700,000
	<hr/>	<hr/>
	44,830,500	44,700,000
	<hr/>	<hr/>

Operating lease payments represent rentals payable by the company for its factory and offices. The lease is for 25 years

 20

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

19. ANALYSIS OF NET FUNDS

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand	162,745	256,915	419,660
Balance at 31 December 2009	162,745	256,915	419,660

20. ULTIMATE CONTROLLING PARTY

The immediate parent company is Can Pack SA, a company registered in Poland. This is the smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the consolidated financial statements can be obtained from the Register Court, Poland.

The ultimate parent company and largest group for which consolidated financial statements are drawn up is F&P Holdings Inc, whose registered office is 1161 Park Road, Blandon, PA 19510, USA. Copies of the consolidated financial statements can be obtained from the Commonwealth of Pennsylvania Bureau of Corporations.

21. TRANSACTIONS WITH RELATED PARTIES

Trading transactions

During the period, the company entered into the following transactions with related parties

2009	Recharge of costs £	Purchase of goods or services £	Amounts owed by related parties £	Amounts owed to related parties £
Can-Pack SA	55,532	28,867,974	31,454	3,791,518
ZETO SA	-	3,094	-	500
Can-Pack Personnel Service sp zoo	-	13,070	-	13,070
Can-Pack Real Estate sp zoo	-	1,872,000	-	386,400
Can-Pack General Line sp zoo	-	293	-	293
Balance at 31 December 2009	55,532	30,756,431	31,454	4,191,781

2008	Recharge of costs £	Purchase of goods or services £	Amounts owed by related parties £	Amounts owed to related parties £
Can-Pack SA	4,267	19,951,985	928	2,525,604
ZETO SA	-	99,867	-	52,873
Can-Pack Personnel Service sp zoo	-	703,643	-	703,643
Can-Pack Real Estate sp zoo	-	300,000	-	-
Can-Pack General Line sp zoo	-	358	-	358
Balance at 31 December 2008	4,267	21,055,853	928	3,282,478

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

21. TRANSACTIONS WITH RELATED PARTIES (continued)

All of the above are related parties as they are all members of the Can-Pack SA Group

Recharges of costs were made at cost price Purchases were made at market price

The amounts outstanding are unsecured and will be settled in cash No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties

The company received a £10,000,000 loan from its parent company, Can-Pack SA, during the year Further information in respect of this loan is disclosed in note 14 to these financial statements

Directors' transactions

Details of transactions with key management personnel are included in Note 4 In addition, during the financial period the company paid rent and utility costs in relation to directors' private residences totalling £21,339 (2008: £12,140).

22. EVENTS AFTER THE BALANCE SHEET DATE

The company has received a claim in relation to an alleged breach of patent in respect of one of the processes in its production line No amounts are provided in the statutory accounts with regard to this claim as the claimant has not yet quantified this claim and consequently it is not possible to make a reliable estimate The directors intend to defend the claim vigorously as they believe it to be unfounded, though at this stage it is not known how strong the prospects are of being successful

23. FINANCIAL INSTRUMENTS

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance The capital structure of the company at 31 December 2009 consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents, and equity attributable to equity holders of the company, comprising issued capital and retained earnings as disclosed in notes 12, 15 and 16

Categories of financial instruments

	Carrying value 2009 £	Carrying value 2008 £
Financial assets		
Available for sale financial assets	-	14,774
Trade and other receivables	11,421,949	5,654,632
Cash and cash equipments	419,660	162,745
	<u>11,841,609</u>	<u>5,832,151</u>
Financial liabilities		
Trade payables	1,358,279	194,912
Amounts owed to group companies	4,191,781	3,282,478
Borrowings	10,000,000	-
	<u>15,550,060</u>	<u>3,477,390</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

23. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management

The company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters by directors.

The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2009 £	2008 £	2009 £	2008 £
Polish Zloty	-	-	13,988	703,643
Euro	191,554	-	65,472	-
	<u>191,554</u>	<u>-</u>	<u>79,460</u>	<u>703,643</u>

Foreign currency sensitivity analysis

The company is mainly exposed to the Euro and to the currency of Poland (Polish Zloty). The following table details the company's sensitivity to a 10 per cent increase and decrease in Sterling against the Euro and the Polish Zloty. 10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10 per cent change in foreign currency rates. A positive number below indicates an increase in profit where Sterling strengthens 10 per cent against the Euro or the Polish Zloty. For a 10 per cent weakening of Sterling against the Euro or the Polish Zloty, there would be an equal and opposite impact on the profit, and the balances below would be negative.

	Euro Impact		Polish Zloty Impact	
	2009 £	2008 £	2009 £	2008 £
Profit or loss	<u>11,425</u>	<u>-</u>	<u>1,268</u>	<u>64,000</u>

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the period end exposure does not reflect the exposure during the period.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining its banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

23. FINANCIAL INSTRUMENTS (continued)

The company's financial liabilities are detailed as follows

	31 December 2009 £	31 December 2008 £
Trade payables	1,358,279	194,912
Amounts owed to group companies	4,191,781	3,282,478
Borrowings	10,000,000	-
	<u>15,550,060</u>	<u>3,477,390</u>

Trade payables mature within 3 months of the balance sheet date, and do not bear any interest. The borrowings consist of a loan from the parent company, which is interest only and matures in 3 years.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date which are set out below.

	31 December 2009 £	31 December 2008 £
Amounts owed by group companies	31,454	-
Trade receivables	10,596,262	-
Other receivables	372,047	-
Cash and cash equivalents	419,660	162,745
	<u>11,419,423</u>	<u>162,745</u>

The credit risk for liquid funds is not considered significant, since the counterparty is a high street bank with a high quality external credit rating.

The company's policy is to only deal with creditworthy counterparties. All debts are closely controlled and monitored by management. Other debtors relate to deposits with major utilities providers, all of whom are considered creditworthy.

None of the company's financial assets are secured by collateral or other credit enhancements at the balance sheet date.

Fair value of financial assets and liabilities

	Carrying Amount		Fair Value	
	2009 £	2008 £	2009 £	2008 £
Other receivables	372,047	-	372,047	-
Amounts owed by group companies	31,454	-	31,454	-
Trade receivables	10,596,262	-	10,596,262	-
Cash	419,660	162,745	419,660	162,745
Trade payables, including group company	(5,550,060)	(3,477,390)	(5,550,060)	(3,477,390)
Borrowings	(10,000,000)	-	(10,000,000)	-
	<u>(4,130,637)</u>	<u>(3,314,645)</u>	<u>(4,130,637)</u>	<u>(3,314,645)</u>

The carrying amounts of financial assets and financial liabilities are approximately equal to their fair values.

CAN-PACK UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2009

24. ANALYSIS OF CASHFLOWS

	Year ended 31 December 2009 £	Period ended 31 December 2008 £
Cash flows from operating activities		
Loss on ordinary activities after taxation	(5,342,523)	(790,027)
Adjustments for		
Tax expense	1,833	-
Depreciation, amortisation and impairment charges	1,318,255	10,603
Interest receivable	(705)	(8,832)
Interest expense	264,430	-
Operating cash flows before movements in working capital	(3,758,710)	(788,256)
(Increase) in inventories	(5,092,906)	(813,511)
(Increase) in trade & other receivables	(10,208,547)	(2,362,555)
Increase in trade & other payables	6,026,941	1,340,606
Cash utilised by operations	(13,033,222)	(2,623,716)
Income taxes paid	(1,833)	-
Interest paid	(264,430)	-
Net cash used in operating activities	(13,299,485)	(2,623,716)
Investing activities		
Interest received	705	8,832
Purchase of property, plant and equipment	(6,751,156)	(21,665,520)
Net cash used in investing activities	(6,750,451)	(21,656,688)
Financing activities		
Issue of ordinary share capital	10,306,851	24,443,149
New loans raised	10,000,000	-
Net cash generated by financing activities	20,306,851	24,443,149