

**Company Registration No. 2915001**

**Mondi Graphic Paper Holdings (UK)  
Limited**

**Report and Financial Statements**

**31 December 2008**



# **Mondi Graphic Paper Holdings (UK) Limited**

## **Report and financial statements 2008**

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# **Mondi Graphic Paper Holdings (UK) Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

C A Hunt  
A C W King  
J C Paterson  
P Wessels

#### **Secretary**

G P Fenwick

#### **Registered Office**

Building 1, 1<sup>st</sup> Floor  
Aviator Park  
Station Road  
Addlestone  
Surrey KT15 2PG

#### **Bankers**

Deutsche Bank AG  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London

# **Mondi Graphic Paper Holdings (UK) Limited**

## **Directors' report**

The directors present their report and the audited financial statements for the year ended 31 December 2008. 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 and future prospects**

The Company is an investment holding company. The directors have the present intention of maintaining its business in its current form and believe the Company's future prospects to be satisfactory.

### **Going Concern**

The directors believe that the Company will continue to act as a holding company for the Mondi group. The Company's ultimate holding company, Mondi plc, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period of not less than 12 months from the signing of the Company's annual financial statements. As a result, the directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern basis of accounting.

### **Results and dividends**

The loss for the year after tax was £345 (2007: loss £5,961). The directors do not recommend the payment of a dividend for the year (2007: nil).

### **Principal risks and uncertainties**

The directors considered the risks attached to the Company's financial instruments, which principally comprise operating debtors, operating creditors and loans to and from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the period.

### **Directors**

The directors, who held office during the year and to the date of this report, except as noted, were as follows:

C A Hunt	
A C W King	
J C Paterson	
M A S Walker	(resigned 9 July 2008)
P Wessels	(appointed 9 July 2008)

# Mondi Graphic Paper Holdings (UK) Limited

## Directors' report (continued)

### Statement as to disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

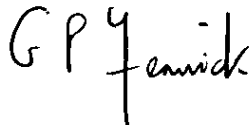
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

### Auditors

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte LLP have expressed their willingness to continue in office as auditors and in accordance with the Companies Act 2006 are deemed to remain in office as auditors of the Company.

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



G P Fenwick  
Secretary

18 May 2009

# **Mondi Graphic Paper Holdings (UK) Limited**

## **Statement of directors' responsibilities**

*The directors are responsible for preparing the 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; 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 Mondi Graphic Paper Holdings (UK) Limited**

We have audited the financial statements of Mondi Graphic Paper Holdings (UK) Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 Mondi Graphic Paper Holdings (UK) 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 2008 and of its loss 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.

*Deloitte LLP*

### **Deloitte LLP**

Chartered Accountants and Registered Auditors  
London, United Kingdom

*1 June* 2009



# Mondi Graphic Paper Holdings (UK) Limited

## Profit and loss account Year ended 31 December 2008

	Notes	2008 £	2007 £
Administrative expenses		(343)	(6,016)
<b>Operating loss</b>	3	(343)	(6,016)
Interest receivable and similar income		-	55
Interest payable		(2)	-
<b>Loss on ordinary activities before taxation</b>		(345)	(5,961)
Tax on loss on ordinary activities	4	-	-
<b>Loss on ordinary activities after taxation</b>		(345)	(5,961)
<b>Retained loss for the financial year</b>	10	(345)	(5,961)

All amounts derive from continuing operations.

There are no recognised gains and losses for the current period other than the loss shown above and therefore no separate statement of total recognised gains and losses has been presented.

# Mondi Graphic Paper Holdings (UK) Limited

## Balance sheet 31 December 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Investments in subsidiaries	5	33,271,076	33,271,076
<b>Current assets</b>			
Debtors	6	41,372	41,372
Cash at bank and in hand		-	-
		<u>41,372</u>	<u>41,372</u>
<b>Current liabilities: amounts falling due within one year</b>	7	<u>(396)</u>	<u>(51)</u>
<b>Net current assets</b>		<u>40,976</u>	<u>41,321</u>
<b>Total assets less current liabilities and net assets</b>		<u>33,312,052</u>	<u>33,312,397</u>
<b>Capital and reserves</b>			
Called up share capital	9	50,000	50,000
Share premium account	10	33,205,446	33,205,446
Capital redemption reserve	10	16,625	16,625
Profit and loss account	10	<u>39,981</u>	<u>40,326</u>
<b>Total shareholders' funds</b>	10	<u>33,312,052</u>	<u>33,312,397</u>

These financial statements were approved by the Board of Directors on 18 May 2009.

Signed on behalf of the Board of Directors



Director

# **Mondi Graphic Paper Holdings (UK) Limited**

## **Notes to the accounts Year ended 31 December 2008**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom generally accepted accounting principles (UK GAAP) and in accordance with UK Company law. The financial information has been prepared on a historical cost basis. As noted in the Directors' report, the financial statements have been prepared on a going concern basis.

The particular accounting policies adopted are consistent with those adopted in the prior year and are described below.

#### **Investments**

Investments are held at cost, less provision for any impairment, where appropriate.

#### **Financial instruments**

In accordance with exemptions under FRS 29 'Financial Instruments Disclosures', the Company has not presented financial instruments disclosures required by the standard, as disclosures which comply with the standard are included in the Group's consolidated financial statements.

#### **Taxation**

Current tax, including UK corporation tax and foreign 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 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 financial statements. 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.

#### **Cash flows**

As the Company is a wholly-owned subsidiary, the cash flows of the Company are included in the consolidated cash flow statement of its parent undertaking. Consequently the Company is exempt under the provisions of Financial Reporting Standard 1 (Revised) – "Cash flow statements", from publishing a separate cash flow statement.

#### **Foreign currency**

Transactions in foreign currencies are recorded at the rates of exchange at the dates of the transactions or, if hedged, at the forward contract rates. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the balance sheet date.

### **2. Information regarding directors and employees**

The Company had no employees during the year (2007: none) and no emoluments were paid to the directors in respect of their services to the Company (2007: nil).

# Mondi Graphic Paper Holdings (UK) Limited

## Notes to the accounts Year ended 31 December 2008

### 3. Operating loss

The audit fee for the audit of the Company's annual accounts of £3,000 (2007: £3,000) has been borne by Mondi plc in both years.

### 4. Tax on loss on ordinary activities

	2008 £	2007 £
<b>Tax on loss on ordinary activities</b>	<u>-</u>	<u>-</u>
Loss on ordinary activities before tax	<u>(345)</u>	<u>(5,961)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	98	1,788
Effects of: Tax losses not recognised	<u>(98)</u>	<u>(1,788)</u>
Current tax for year	<u>-</u>	<u>-</u>

### 5. Fixed asset investments

	Shares in subsidiary undertakings £
Cost and net book value: At 1 January 2008 and 31 December 2008	<u>33,271,076</u>

The company owns 100% of the ordinary share capital of Mondi Paper (UK) Limited, an investment holding company incorporated in Great Britain and registered in England and Wales.

Group accounts are not presented as the Company is a wholly owned subsidiary undertaking of Mondi plc, which is registered in England and Wales. Accordingly, these accounts present information about the Company as an individual undertaking and not about its group. Consolidated financial statements have not been prepared because the Company is exempt under s228 of the Companies Act 1985.

# Mondi Graphic Paper Holdings (UK) Limited

## Notes to the accounts Year ended 31 December 2008

### 6. Debtors

	2008 £	2007 £
Amounts owed by group undertakings	41,372	41,372
	<u>41,372</u>	<u>41,372</u>

Interest on amounts owing by group undertakings is earned at current market rates and amounts owing are payable on demand.

### 7. Current liabilities: amounts falling due within one year

	2008 £	2007 £
Bank overdrafts	396	51
	<u>396</u>	<u>51</u>

### 8. Provisions for deferred tax

	Provided 2008 £	Provided 2007 £	Not Provided 2008 £	Not Provided 2007 £
Tax losses carried forward	-	-	(74,609)	(74,511)
Undiscounted provision for deferred tax	-	-	(74,609)	(74,511)

Deferred tax assets in respect of tax losses have not been recognised as their use is not anticipated in the foreseeable future.

### 9. Called up share capital

	2008 £	2007 £
<b>Authorised</b>		
50,000 ordinary shares of £1 each (2007: 50,000)	50,000	50,000
<b>Called up, allotted and fully paid</b>		
50,000 ordinary shares of £1 each (2007: 50,000)	50,000	50,000

# Mondi Graphic Paper Holdings (UK) Limited

## Notes to the accounts Year ended 31 December 2008

### 10. Movement in shareholders' funds

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2008	50,000	33,205,446	16,625	40,326	33,312,397
Retained loss for the year	-	-	-	(345)	(345)
As 31 December 2008	<u>50,000</u>	<u>33,205,446</u>	<u>16,625</u>	<u>39,981</u>	<u>33,312,052</u>

### 11. Related party transactions

At 31 December 2008, as identified in note 12, Mondi plc was the Company's ultimate parent company. The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Mondi group companies.

### 12. Ultimate parent company

The immediate parent company and controlling party is Mondi Investments S.à.r.l, a company incorporated in Luxembourg. Copies of the financial statements of Mondi Investments S.à.r.l. may be obtained from the Directors, 7A rue Robert Stumper, Luxembourg L-2557, Luxembourg.

The ultimate parent company and ultimate controlling entity is Mondi plc, a company incorporated in Great Britain and registered in England and Wales. Mondi plc is the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are prepared. Financial statements for Mondi plc may be obtained from the Company Secretary, Building 1, 1<sup>st</sup> Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG.