

Registered number 3878924

Tetra Pak Manufacturing (UK) Limited

Report and Financial Statements

31 December 2011

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COMPANIES HOUSE

Tetra Pak Manufacturing (UK) Limited

Directors

R Collins
I Chambers
R Matland-Titterton
F Griemsmann
H Jacobs
I Davies
S Frame

Secretary

Addleshaw Goddard
100 Barbirolli Square
Manchester M2 3AB

Auditors

Ernst & Young LLP
20 Chapel Street
Liverpool L3 9AG

Bankers

SEB
Cannon Street
London EC4M 6XX

Solicitors

Addleshaw Goddard
100 Barbirolli Square
Manchester M2 3AB

Registered Office

Bedwell Road
Cross Lanes
Wrexham LL13 0UT

Directors' report

The directors submit their report and financial statements of Tetra Pak Manufacturing (UK) Limited for the year ended 31 December 2011

Principal activities and business review

The principal activity of the company during the year continued to be the supply of packaging material for liquid foods

	2011 £000	2010 £000	Change %
Turnover Supply of packaging material	6,453	14,156	(54.4)

On 30 April 2011 the company ceased roll-fed production at the site, however the company's Warehouse and Distribution & Logistics services have continued their operations

Directors

The directors who served the company during the year are listed below

R Collins
I Chambers
R Maitland-Titterton
F Griemsmann
H Jacobs
I Davies
S Frame

Results and dividends

The loss for the year, after taxation, amounted to £4,412,000 (2010 profit of £8,002,000). The directors have not recommended a dividend (2010: £nil).

Financial risk management objectives and policies

The nature of the company's business requires a risk management plan. The overall objective is to minimise risk exposure to protect the market position of the company and safeguard the performance objectives. The principal risks and uncertainties facing the company are competitive and financial risks.

Competitive risks

The company is continuously facing hard competition from a selected number of international companies that are present on the UK market.

Market and market share information is gathered continuously and presented to the company management team and Tetra Pak Group on a yearly basis. New development needs for packaging solutions and service products are identified and presented to the Tetra Pak Group to keep the company's competitive edge in the market.

Exposure to currency risks

All purchases and sales are either in local currency or in foreign currency at a fixed annual rate.

Exposure to price risks

Price risks are carefully managed and monitored by the purchasing team.

Exposure to credit risks

Virtually all sales are with Group companies, hence there are no material credit risks.

Directors' report

Exposure to cash flow and liquidity risks

There are no major risks in this area. Intercompany payables and receivables are paid monthly on the same day via a group internal netting process. External suppliers are paid within 30 days.

Communication with employees

The company periodically provides employees with information on matters of concern to them as employees and consults them regarding matters which are likely to affect their interests.

Employment policy

The company gives full and fair consideration to all applications for employment irrespective of sex, race, creed or disability. Career progression and training is managed in accordance with the qualities and abilities of all individuals and the requirements of the company.

Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Environmental policy

The Tetra Pak Group of companies believes that environmental considerations will contribute to the success of its business operations. Its constant aim is to align its business goals with environmental considerations in a way that balances costs and benefits, helps the company sustain competitive advantage and makes a contribution towards the goal of sustainable development. Here in the UK, we work closely with suppliers, customers, retailers and government agencies both to satisfy our legal obligations and continuously improve our environment performance in line with the Group policy.

Disclosure of Information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



R Collins
Director

6 March 2012

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). 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, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 Tetra Pak Manufacturing (UK) Limited

We have audited the financial statements of Tetra Pak Manufacturing (UK) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 explained more fully in the statement of directors responsibilities set out on page 4, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.


Independent auditors' report

to the members of Tetra Pak Manufacturing (UK) Limited

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



Barry Flynn (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Liverpool

Date 8/3/2012

Profit and loss account

for the year ended 31 December 2011

	<i>Note</i>	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Turnover	2	6,453	14,156
Cost of sales		(5,660)	(11,386)
Gross Profit		793	2,770
Administrative expenses		(674)	(1,113)
Exceptional items	3	(4,707)	7,835
Operating (loss)/profit	4	(4,588)	9,492
Interest receivable and similar income	7	4	-
Interest payable and similar charges	7	(138)	(271)
(Loss)/profit before taxation		(4,722)	9,221
Tax on loss/profit	8	310	(1,219)
(Loss)/profit for the financial year		(4,412)	8,002

The operating loss for the year arises from the company's continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2011

	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
(Loss)/profit for the financial year	(4,412)	8,002
Actuarial gain in respect of defined benefit pension scheme (note 14)	6,805	1,460
Irrecoverable surplus on defined benefit pension scheme (note 14)	(13,589)	-
Deferred tax in respect of defined benefit pension scheme (note 8)	-	(394)
Total recognised gains and losses since the last financial statements	(11,196)	9,068

Balance sheet

at 31 December 2011

	<i>Note</i>	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Fixed assets			
Intangible assets	9	527	589
Tangible assets	10	1,891	1,036
		<u>2,418</u>	<u>1,625</u>
Current assets			
Debtors	11	6,874	7,824
Cash		–	8,001
		<u>6,874</u>	<u>15,825</u>
Creditors , amounts falling due within one year	12	(13,750)	(3,894)
		<u>(6,876)</u>	<u>11,931</u>
Net current (liabilities)/assets			
		<u>(4,458)</u>	<u>13,556</u>
Total assets less current liabilities			
Provisions for liabilities	13	(587)	(12,322)
		<u>(5,045)</u>	<u>1,234</u>
Net (liabilities)/assets excluding pension asset			
		<u>(5,017)</u>	<u>6,179</u>
Defined benefit pension scheme asset	14	28	4,945
		<u>(5,017)</u>	<u>6,179</u>
Capital and reserves			
Share capital	17	–	–
Profit and loss account	18	(5,017)	6,179
		<u>(5,017)</u>	<u>6,179</u>
Shareholders' (deficit) funds	19	(5,017)	6,179
		<u>(5,017)</u>	<u>6,179</u>

Approved by the Board



Director
R Collins

6/3/2012

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of accounting

The financial statements of Tetra Pak Manufacturing (UK) Limited were approved for issue by the Board of Directors on 2 March 2012

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

Going concern

In April 2011 the closure of the production operation occurred with production ceasing at the site. However the company's Warehouse and Distribution & Logistics services have continued their operations going forward. In addition, Tetra Laval Holdings BV, its ultimate parent company, has agreed to provide sufficient funds to the company to enable it to continue operating and to meet its liabilities as they fall due.

On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result should continuing finance cease to be made available. Therefore the financial statements have been prepared on a going concern basis.

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised 1996) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company has taken advantage of the exemption conferred under FRS 8 paragraph 3 in respect of disclosure of transactions with other members of the Tetra Laval Holdings BV Group.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

Goodwill

Goodwill arising on acquisitions is capitalized, classified as an asset on the balance sheet, and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixed assets

All fixed assets are initially recorded at cost. The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	—	4% per annum
Fixtures, fittings, tools and equipment	—	10% to 30% per annum
Production machines	—	12.5% per annum

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Intangible fixed assets and depreciation (continued)

The carrying value of intangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Stocks

Stocks are stated at the lower of cost and net realizable value as follows

Raw materials - purchase cost on first-in, first-out basis

Spares stocks represents engineering stores valued at cost less provision

Net realizable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The company participates in the Tetra Pak Retirement Pension Scheme, which is a defined benefit pension plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the income and expense in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service cost and the present value of any amount the company expects to recover by way of refunds from the plan or reductions in the future contributions.

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax, with the exception of deferred tax assets

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted by the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss

2. Turnover

Turnover represents the amount derived from the provision of manufacturing services to group companies net of value added tax

An analysis of turnover by geographical market is given below

	2011	2010
	£000	£000
United Kingdom	6,453	14,156

All turnover is derived from the United Kingdom

Notes to the financial statements

at 31 December 2011

3. Exceptional items

	2011 £000	2010 £000
Business combination ¹	–	6
Pension curtailment ²	–	2,764
Reimbursement of pension contributions ³	–	5,516
Pension scheme closure costs ⁴	(188)	–
Net restructuring costs ⁵	(4,519)	(451)
	<u>(4,707)</u>	<u>7,835</u>

¹One of the participating companies in the Tetra Pak Retirement Benefits Scheme, Tetra Pak Business Services Ltd (“TPBS”) closed at 31 December 2009. In 2009, the pension scheme assets/liabilities of TPBS have therefore been re-allocated to the other participating companies in proportion to their assets/liabilities at the end of the year through the business combinations entry. In 2010, the gain represents member movements between the businesses following receipt of the updated employer information for each member as part of the 2010 triennial valuation.

²In the prior year, as a result of the redundancies within the company, a pension curtailment gain of £2,764,000 arose.

³The company received a reimbursement of pension contributions that were made in 2009 and 2010 in the prior year.

⁴The pension scheme closure costs relate to the professional fees behind the closure of the pension scheme which will occur in 2012.

⁵Restructuring costs related to the closure of roll-fed production.

4. Operating Loss/profit

This is stated after charging/(crediting)

	2011 £000	2010 £000
Amortisation of intangible fixed assets	62	62
Depreciation of owned fixed assets	738	1,417
(Reversal)/Charge for impairment of fixed assets	(909)	5,657
Operating lease costs – plant and equipment	271	337
Net loss/profit on foreign currency translation	(5)	22
Auditor's remuneration – audit of the financial statements	28	30
– taxation services	23	23
– audit of company pension scheme	3	5
	<u></u>	<u></u>

Notes to the financial statements

at 31 December 2011

5. Staff costs

	2011 £000	2010 £000
Wages and salaries	2,767	5,858
Social security costs	227	494
Other pension costs	804	817
	<u>3,798</u>	<u>7,169</u>

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Production staff	63	150
Administrative staff	2	6
	<u>65</u>	<u>156</u>

Other pension costs are amounts charged to operating loss and do not include amounts charged to finance costs (see note 8) and amounts recognised in the statement of recognised gains and losses

6. Directors' emoluments

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were

	2011 £000	2010 £000
Emoluments receivable	624	528
Value of company pension contributions to money purchase schemes	54	52
	<u>678</u>	<u>580</u>

No directors are accruing benefits in respect of qualifying services under defined benefit schemes. Two directors are members of money purchase pension schemes (2010: 2).

The amounts in respect of the highest paid director are as follows

	2011 £000	2010 £000
Emoluments	309	224
Value of company pension contributions to money purchase schemes	31	30

Notes to the financial statements

at 31 December 2011

7. Interest receivable/payable and similar income/charges

	2011 £000	2010 £000
Interest from group undertakings	4	-
	<u>4</u>	<u>-</u>

	2011 £000	2010 £000
Interest payable to group undertakings	-	66
Net finance cost in respect of defined benefit pension schemes	138	205
	<u>138</u>	<u>271</u>

8. Tax on ordinary activities

a) Analysis of charge in the year

	2011 £000	2010 £000
<i>Current tax</i>		
UK Corporation tax based on the profit for the year at 26.5% (2010 – 28%)	-	(147)
Over provision in prior year	146	302
Group relief payable	(456)	-
Total current tax (note 8(b))	<u>(310)</u>	<u>155</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	1,064
	<u>(310)</u>	<u>1,064</u>
Tax on profit on ordinary activities	<u>(310)</u>	<u>1,219</u>

Notes to the financial statements

at 31 December 2011

b) Factors affecting current tax charge

	2011 £000	2010 £000
(Loss)/profit on ordinary activities before taxation	(4,723)	9,221
(Loss)/profit on ordinary activities multiplied by rate of tax	(1,252)	2,581
Expenses not deductible for tax purposes	183	77
Depreciation in excess of capital allowances	(486)	1,521
Other timing differences	899	(400)
Adjustments to tax charge in respect of previous periods	146	302
Pension provision ¹	(12)	(2,473)
Impairment	-	(1,577)
Unrelieved tax losses carried forward	348	124
Reversal of impairment non qualifying fixed assets	(136)	-
Total current tax (note 8(a))	(310)	155

¹ Pension provision represents the difference between pension charges in the profit and loss account, and pension contributions paid during the year and for which tax relief is available in the year

Notes to the financial statements

at 31 December 2011

8 Tax on ordinary activities (continued)

c) Deferred tax

The deferred tax included in the balance sheet is as follows

	2011 £000	2010 £000
Depreciation in advance of capital allowances	9	1,349
Pension scheme	(9)	(1,829)
Other timing differences	–	386
Losses recognised	–	94
Deferred tax asset	–	–
<i>Included within</i>		
Debtors – deferred tax (note 12)	9	1,829
Provision for pension (asset)/liability (note 14)	(9)	(1,829)
Total	–	–

The deferred tax asset of £1,133,000 has not been recognised in excess of the deferred tax liability as there is insufficient evidence that the asset will be recovered. The asset would be recovered if there are future profits of the same trade against which the trading losses can be offset.

Factors that may affect future tax charges

In his budget of 23 March 2011, the Chancellor of the Exchequer announced certain tax changes which have an effect on the Company's future tax position. The proposals included phased reductions in the corporation tax rate to 23% from 1 April 2014. As at the balance sheet date, only the reduction in the rate to 25% has been 'substantively enacted' and this has been incorporated into the closing deferred tax balances.

The rate change would also impact the amount of future cash tax payments to be made by Company. The effect of the proposed changes to the UK tax system will be reflected in the financial statements of the Company in future years, as appropriate, once the proposals have been 'substantively enacted'.

Notes to the financial statements

at 31 December 2011

9. Intangible fixed assets

	<i>Goodwill</i> <i>£000</i>
Cost	
At 1 January 2011 and 31 December 2011	1,240
Amortisation	
At 1 January 2011	651
Provided during the year	62
At 31 December 2011	713
Net book value	
At 31 December 2011	527
At 1 January 2011	589

The goodwill arose following the separation of the manufacturing business of Tetra Pak Limited, leading to the incorporation of Tetra Pak Manufacturing (UK) Limited. This goodwill is amortised over a period of 20 years being the directors' assessment of useful economic life.

Notes to the financial statements

at 31 December 2011

10. Tangible fixed assets

	<i>Freehold land and buildings</i>	<i>Fixtures, fittings, tools and equipment</i>	<i>Assets under construction</i>	<i>Production machines</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost					
At 1 January 2011	3,842	4,162	17	10,620	18,641
Additions	568	55	61	–	684
Disposals	(368)	(3,023)	(6)	(10,620)	(14,017)
Transfer of assets under construction	–	11	(11)	–	–
At 31 December 2011	4,042	1,205	61	–	5,308
Depreciation					
At 1 January 2011	2,806	4,162	17	10,620	17,605
Charge for the year	253	253	–	232	738
Disposals	(368)	(3,023)	(6)	(10,620)	(14,017)
Impairment reversal	(4)	(662)	(11)	(232)	(909)
At 31 December 2011	2,687	730	–	–	3,417
Net book value					
At 31 December 2011	1,355	475	61	–	1,891
At 1 January 2011	1,036	–	–	–	1,036

In the prior year an impairment of £5,657,000 was charged to reduce the net book value to the estimated recoverable value of £nil. Subsequently, during the current year, following the closure of the factory, the value of a number of assets was revised due to additional usage being found for them within the companies operations and accordingly an impairment of £909,000 was reversed

11. Debtors

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	22	6
Amounts owed by group undertakings	568	3,578
Amounts owed by group undertakings – group relief	623	859
Other debtors	–	14
Corporation tax receivable	5	–
Prepayments and accrued income	5,578	1,294
Deferred tax asset	9	1,829
VAT	69	244
	<u>6,874</u>	<u>7,824</u>

Notes to the financial statements

at 31 December 2011

12. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	4,412	—
Trade creditors	128	535
Amounts owed to group undertakings	366	359
Corporation tax payable	—	6
Accruals and deferred income	8,844	2,994
	<u>13,750</u>	<u>3,894</u>

13. Other provisions

	<i>Provision for restructuring</i> £000	<i>Total</i> £000
At 1 January 2011	12,322	12,322
Charged to profit and loss	587	587
Utilised in the year	(10,866)	(10,866)
Reversal of unused amounts	(1,456)	(1,456)
At 31 December 2011	<u>587</u>	<u>587</u>

The provision for restructuring related primarily to redundancies and factory closure costs due to the cessation of production in April 2011. Some residual costs for machine removal and redundancies still remain within the closing current year position.

Notes to the financial statements

at 31 December 2011

14. Pensions and other post-retirement benefits

The company operates a defined benefit scheme in the UK which offers both pensions in retirement and death benefits to members. Pension benefits are related to members' final salary at retirement and their length of service. Since 31 December 2004 the scheme has been closed to new members. The valuation used has been based on the most recent actuarial valuation at 1 April 2010.

The assets and liabilities in the scheme at 31 December are

	2011 £000	2010 £000
Scheme assets at fair value		
Equities	16,887	14,871
Bonds	39,693	29,774
Cash	296	5,785
Property	–	1,553
	<hr/>	<hr/>
Fair value of scheme assets	56,876	51,983
Present value of scheme liabilities	(43,250)	(45,209)
Irrecoverable surplus	(13,589)	–
	<hr/>	<hr/>
Defined benefit pension scheme deficit	37	6,774
Net pension asset recognised before tax	37	6,774
Related deferred tax liability	(9)	(1,829)
	<hr/>	<hr/>
Net asset in the balance sheet	28	4,945
	<hr/>	<hr/>

During the year, it was announced that the defined benefit pension scheme would be closed during 2012 and replaced with a new defined contribution scheme. Based on the assumptions used under FRS17 the amount that can be recovered through reduced contributions (the present value of the liability expected to arise from future service) does not exceed the accounting surplus at 31 December 2011 when taking the imminent scheme closure into consideration. Therefore there is an irrecoverable surplus balance in the current year.

Notes to the financial statements

at 31 December 2011

14. Pensions and other post-retirement benefits (continued)

The amounts recognised in the profit and loss account, and in the statement of total recognised gains and losses, for the year are analysed as follows

	2011 £000	2010 £000
Recognised in the profit and loss account		
Current service cost	(655)	(795)
Recognised in arriving at operating profit	(655)	(795)
Business combinations	-	2,770
Recognised in exceptional items	-	2,770
Expected return on scheme assets	2,371	2,322
Interest cost	(2,509)	(2,527)
Other finance cost	(138)	(205)
Total recognised in the profit and loss account	(793)	1,770

	2011 £000	2010 £000
Taken to the statement of total recognised gains and losses		
Actual return on scheme assets	4,992	3,191
Less expected return on scheme assets	2,371	2,322
	2,621	869
Loss arising from changes in assumptions underlying the present value of scheme liabilities	4,184	591
Total recognised in the statement of total recognised gains and losses	6,805	1,460

Notes to the financial statements

at 31 December 2011

	2011 %	2010 %
Main assumptions		
Rate of increase in salaries	4.00	4.5
Rate of increase in pensions in payment	3.00	3.5
Rate of	2.50	3.0
Discount rate	5.00	5.3
Expected rate of return on		
Equities	6.00	6.6
Bonds	4.85	5.0
Cash	3.00	3.9
Inflation assumption (RPI)	3.00	3.9
Inflation assumption (CPI)	2.50	N/A

Assumed life expectancies on retirement at age 65 (in years) are

Retiring today	Males	21.2	21.2
	Females	23.4	23.4
Retiring in 20 years' time	Males	21.2	21.2
	Females	23.4	23.4

The assumptions used in determining the overall expected rate of return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins

Changes in the present value of the defined benefit obligations are analysed as follows

	2011 £000	2010 £000
At 1 January	45,209	45,741
Current service cost	655	795
Interest cost	2,509	2,527
Benefits paid	(1,055)	(581)
Actuarial gain	(4,184)	(591)
Contributions by scheme participants	116	189
Curtailments (see note 3)	-	(2,764)
Business combinations (see note 3)	-	(107)
At 31 December	43,250	45,209

Notes to the financial statements

at 31 December 2011

14. Pensions and other post-retirement benefits (continued)

Changes in the fair value of plan assets are analysed as follows

	2011 £000	2010 £000
At 1 January	51,983	42,222
Expected return on scheme assets	2,371	2,322
Contributions by employers	840	7,063
Contributions by plan participants	116	189
Benefits paid	(1,055)	(581)
Actuarial gain	2,621	869
Business combinations (see note 3)	-	(101)
At 31 December	56,876	51,983

	2011	2010	2009	2008	2007
Fair value of scheme assets	56,876	51,983	42,222	24,678	21,210
Present value of scheme liabilities	(43,250)	(45,209)	(45,741)	(35,915)	(31,657)
Deficit in the scheme	13,626	6,774	(3,519)	(11,237)	(10,447)
Experience adjustments arising on scheme liabilities	4,184	591	(6,790)	(1,537)	5,888
Experience adjustments arising on scheme assets	2,621	869	1,533	(6,173)	(2,577)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses is a net loss of £14,378,000 (2010- net loss of £21,183,000)

The company contributes to a money purchase pension scheme for certain directors, the cost of which is disclosed in note 6. There were no unpaid contributions outstanding at the year end.

Regular contributions to the scheme from both the members and the employer for the year beginning 1 January 2012 are expected to be £297,000.

There are no agreed contribution rates for future years.

Notes to the financial statements

at 31 December 2011

15. Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	<i>Assets other than land and buildings</i>	
	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire		
Within 1 year	6	14
Within 2 to 5 years	36	191
	<u>42</u>	<u>205</u>

16. Contingencies

The company has entered into an unlimited multilateral guarantee arrangement guaranteeing the bank borrowing of other group undertakings. The total amount of bank overdrafts, at the year-end was approximately £50,459,444 (2010 £60,546,820) and the total amount of credit balances, including the company, was £50,518,141 (2010 £61,266,723)

17. Issued share capital

	<i>No</i>	<i>2011</i>	<i>No</i>	<i>2010</i>
		<i>£000</i>		<i>£000</i>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1	—	1	—

18. Profit and loss account

	<i>£000</i>
At 1 January 2011	6,179
Retained loss for the financial year	(4,412)
Actuarial (loss) on pension scheme (note 14)	(6,784)
At 31 December 2011	<u>(5,017)</u>

19. Reconciliation of shareholders' funds

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
(Loss)/gain for the financial year	(4,412)	8,002
Actuarial (loss) in respect of defined benefit pension scheme	(6,784)	1,460
Movement on deferred tax relating to the pension asset	—	(394)
Net (reduction)/addition to shareholders' funds	<u>(11,196)</u>	<u>9,068</u>
Opening shareholders' funds	6,179	(2,889)
Closing shareholders' funds	<u>(5,017)</u>	<u>6,179</u>

Notes to the financial statements

at 31 December 2011

20. Ultimate parent company

The company is a subsidiary of Tetra Laval Holdings BV, a company incorporated in The Netherlands, which in the opinion of the directors is also the ultimate controlling party

The largest and smallest group of undertakings for which group financial statements are prepared and of which Tetra Pak Manufacturing (UK) Limited is a member is Tetra Laval Holdings BV, a company incorporated in The Netherlands. Copies of its group financial statements are available from the Trade Register of the Chamber of Commerce, De Ruyterkade 5, 1013 AA, Amsterdam, The Netherlands