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Bemis Packaging UK Limited

Annual report
for the year ended 31 December 2009

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Bemis Packaging UK Limited

Report for the year ended 31 December 2009

Director's report for the year ended 31 December 2009

The director presents the annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

The company's principal activity is the sale of food packaging products in the United Kingdom, which are supplied by fellow subsidiaries in Europe

Review of business and future developments

The result for the year is shown in the profit and loss account on page 4 The turnover for the year has increased to £23,363,000 (2008 £19,228,000) The increased volume of sales has meant that the company has remained profitable, this is expected to continue next year

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Dividends

The director does not recommend the payment of a dividend (2008 £Nil)

Director

The director who held office throughout the year was M Dussart

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of raw material prices, credit risk, liquidity risk and interest rate risk The company seeks to limit the adverse effects on the financial performance of the company by the following

Price risk

The company is exposed to commodity price risk as a result of its operations The directors monitor market movements in material prices on a regular basis, but do not consider it cost effective to undertake any formal hedging arrangements

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made

Liquidity risk

The company has medium term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions

Interest rate risk

The company's interest rate risk is limited to interest rate change impacts on its medium term debt finance

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law 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 accounting 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 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

The directors are responsible for the maintenance and integrity of the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Provision of information to auditors

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware
Each director has taken appropriate steps to ensure that they are aware of such relevant information, and that the company's auditors are aware of that information

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

Authority of issue of financial statements

The directors gave authority for the financial statements to be issued on 30 September 2010 Neither the entity's owners nor others have the power to amend the financial statements after issue

By order of the Board

W VAN DE SMISSEN (COMPANY SECRETARY)

Director

M DUSSART

Independent auditors' report to the members of Bemis Packaging UK Limited

We have audited the financial statements of Bemis Packaging UK Limited for the year ended 31 December 2009, which comprise the profit and loss account, the balance sheet and the related notes 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)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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 Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 profit 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

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

Paul Jenkins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Swansea, 30 September 2010

Registered Number 949464

Profit and loss account for the year ended 31 December 2009

	Note	2009 £000	2008 £000
Turnover	2	**23,363**	19,228
Cost of sales		**(21,690)**	(17,614)
Gross profit		**1,673**	1,614
Net operating expenses	3	**(1,597)**	(1,484)
Operating profit	4	**76**	130
Bank interest receivable		**4**	29
Interest payable and similar charges	7	**(13)**	(4)
Profit on ordinary activities before taxation		**67**	155
Tax on profit on ordinary activities	8	**(13)**	(56)
Profit for the financial year	15, 16	**54**	99

All of the above results arise from continuing operations throughout the year

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

Balance sheet as at 31 December 2009

	Note	2009 £000	2008 £000
Fixed assets			
Tangible assets	9	**7**	5
Current assets			
Stock	10	**2,686**	2,762
Debtors	11	**4,897**	4,453
Cash at bank and in hand		**294**	151
		7,877	7,366
Creditors: amounts falling due within one year	12	**(7,427)**	(6,968)
Net current assets		**450**	398
Net assets		**457**	403
Capital and reserves			
Called up share capital	14	**1,903**	1,903
Profit and loss account	15	**(1,446)**	(1,500)
Equity shareholders' funds	16	**457**	403

The financial statements on pages 4 to 11 were approved by the board of directors on 30 September 2010 and were signed on its behalf by

W VAN DE SMISSEN (COMPANY SECRETARY)

Director

M DUSSART

Notes to the financial statements for the year ended 31 December 2009

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom

Basis of accounting
The financial statements are prepared in accordance with the historical cost convention

Tangible fixed assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition

Depreciation
Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned The principal annual rates used for this purpose are

Computer equipment	20%
Office equipment	20%

Operating leases
Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

Stocks and work in progress
Stocks are stated at the lower of cost and net realisable value In general, cost is determined on a first in first out basis and includes transport and handling costs Where necessary, provision is made for obsolete and defective stocks

Turnover
Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied Turnover is recognised on the despatch of goods to customers

Deferred taxation
Provision is made for deferred taxation, using the liability method, on all material timing differences which are expected to reverse in the future Deferred tax assets that arise as a result of timing differences are recognised when their future recovery is assessed as being more likely than not Provision is made at the rate of tax which is expected to be applied when the liability or asset is expected to crystallise Deferred tax assets and liabilities are not subject to discounting

Foreign currencies
Foreign currency transactions are recorded in sterling at the exchange rates prevailing at the dates of the transactions Assets and liabilities denominated in foreign currencies are translated to sterling at rates of exchange prevailing at the balance sheet date Exchange gains or losses are taken to the profit and loss account in the year in which they arise

Pension contributions
The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund Contributions under the company's defined contribution pension scheme are charged to the profit and loss account as incurred The company provides no other post retirement benefits to its employees

1 Principal accounting policies (continued)

Cash flow
The company is a subsidiary of Bemis Company Inc and the cash flows of the company are included in the consolidated cash flow statement of Bemis Company Inc, whose financial statements are publicly available Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 (Revised), from publishing a cash flow statement

2 Turnover

	2009 £000	2008 £000
Turnover by geographical destination		
UK	**18,412**	16,253
Europe & Other	**4,951**	2,975
	23,363	19,228

3 Net operating expenses

	2009 £000	2008 £000
Distribution costs	**691**	625
Administration expenses	**906**	859
	1,597	1,484

4 Operating profit

	2009 £000	2008 £000
Operating profit is stated after charging		
Depreciation on owned tangible fixed assets	**3**	3
Operating lease rentals - land and buildings	**126**	126
- other	**37**	58
Auditors' remuneration - audit services	**15**	15
- other services	**4**	4

5 Directors' emoluments

	2009 £000	2008 £000
Aggregate emoluments	**-**	-

No pension contributions were made by the company in respect of the director (2008 £nil)

6 Employee information

	2009 £000	2008 £000
Staff costs		
Wages and salaries	**546**	497
Social security costs	**66**	59
Pension costs	**33**	22
	645	578

The average monthly number of persons (including executive directors) employed by the company during the year was

	2009 Number	2008 Number
By activity:		
Selling and distribution	**10**	10
Administration	**4**	4
	14	14

7 Interest payable and similar charges

	2009 £000	2008 £000
Bank interest and charges	**13**	4

8 Tax on profit/(loss) on ordinary activities

	2009 £000	2008 £000
Current tax:		
Tax on profit in the year	**33**	56
Deferred tax		
Origination and reversal of timing differences .	**(20)**	-
Total tax charge	**13**	56

The tax for the year is different from the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £000	2008 £000
Profit on ordinary activities before tax	**67**	155
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28%)	**19**	43
Effects of		
Expenses not deductible for tax purposes	**4**	6
Accelerated capital allowances and other timing differences	**10**	7
Current tax charge for the period	**33**	56

9 Tangible fixed assets

	Computer & office equipment
Cost	
At 1 January 2009	18
Additions	5
At 31 December 2009	23
Depreciation	
At 1 January 2009	13
Charge for the year	3
At 31 December 2009	**16**
Net book value	
At 31 December 2009	**7**
At 31 December 2008	5

10 Stock

	2009 £000	2008 £000
Finished goods purchased for resale	**2,686**	2,762

11 Debtors

	2009 £000	2008 £000
Amounts falling due within one year:		
Trade debtors	**4,719**	4,205
Amounts due from group undertakings	**140**	225
Deferred tax (note 13)	**20**	-
Prepayments, accrued income and other debtors	**18**	23
	4,897	4,453

12 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	**33**	22
Amounts due to group undertakings	**6,402**	6,154
Corporation tax	**33**	56
Other taxation and social security	**591**	488
Accruals and deferred income	**368**	248
	7,427	6,968

13 Deferred taxation

At 31 December 2009, the company had deferred tax assets as follows

	Amounts recognised 2009	**Amounts not recognised 2009**	Amounts recognised 2008	Amounts not recognised 2008
	£000	**£000**	£000	£000
Difference between capital allowances and depreciation	**20**	**-**	-	10
	20	**-**	-	10

14 Called up share capital

	2009 £000	2008 £000
Authorised		
2,000,000 (2008 2,000,000) ordinary shares of £1 each	**2,000**	2,000
Allotted, called up and fully paid		
1,902,510 (2008 1,902,510) ordinary shares of £1 each	**1,903**	1,903

15 Profit and loss account

	£000
At 1 January 2009	(1,500)
Profit for the financial year	54
At 31 December 2009	**(1,446)**

16 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Opening shareholders' funds	**403**	304
Profit for the financial year	**54**	99
Closing shareholders' funds	**457**	403

17 Pension obligations

The company operates a defined contribution pension scheme The pension charge for the year represents contributions payable by the company to the fund The pension charge for the year was £33,017 (2008 £21,849)

18 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2009	2008	**2009**	2008
	£000	£000	**£000**	£000
Leases expiring				
Within one year	**-**	126	**-**	22
Within two to five years	**136**	-	**37**	36
	136	126	**37**	58

19 Related party transactions

As the company is a wholly owned subsidiary, and the consolidated financial statements of the ultimate parent undertaking are publicly available, the company has taken advantage of the exemption available under FRS 8, "Related Party Disclosures", not to disclose transactions with other members of the Bemis Company Inc group

20 Immediate and ultimate parent undertaking

The ultimate controlling party, which is also the parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member, is Bemis Company Inc , incorporated in the United States of America Copies of the accounts can be obtained from Bemis Company Inc as follows

Bemis Company Inc
222 South Ninth Street
Minneapolis
Minnesota 55402
USA