

BRITTON FLEXIBLES LIMITED

Report and Financial Statements

Year ended 30 April 2012



BRITTON FLEXIBLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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BRITTON FLEXIBLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Goodman

P Toby

SECRETARY

S Goodman

REGISTERED OFFICE

Road One

Winsford Industrial Estate

Winsford

Cheshire, United Kingdom

BANKERS

HSBC Bank Plc

Manchester, United Kingdom

Investec Bank Plc

London, UK

SOLICITORS

Eversheds LLP

1 Royal Standard Place

Nottingham, United Kingdom

AUDITOR

Deloitte LLP

Nottingham, United Kingdom

BRITTON FLEXIBLES LIMITED

DIRECTORS' REPORT (continued)

The directors present their annual report and the audited financial statements for the year ended 30 April 2012. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The fully issued share capital of Britton Flexibles Limited, was acquired by Bravo Bidco Limited on the 12 April 2011. The Ultimate parent company is Copper Management S a r l & Partners S C A , a company incorporated in Luxembourg.

The principal activity of the company is that of an intermediary holding company. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely change in the company's activities in the next year. The company will continue to trade as a holding company in the foreseeable future.

GOING CONCERN

The company has considerable financial resources available to it. The directors have considered the company's forecasts and the sensitivities within them and they are satisfied that the company is performing in line with its expectations. As a consequence, the directors believe that the company is adequately placed to manage its business risks successfully despite the current economic outlook. Although the company has net current liabilities, the parent company has confirmed that it will not demand repayment of the intercompany creditor for a period of at least 12 months from the date of signing the financial statements.

During the course of the year the group debt facility was refinanced with new facilities made available by Investec Bank Plc. This resulted in new finance of £28.5m advanced to Britton Flexibles Ltd. Since the year end the terms of the debt have been adjusted to allow the debt to be repayable over four years since the balance sheet date. The directors are of the opinion that the group's cash forecasts and revenue projections, taking account of reasonably possible changes in trading performance given current market and economic conditions, show that the group should be able to operate within its current facilities, including loan repayments, and comply with its banking covenants.

The company is supported by its immediate and ultimate parent company and the directors are of the opinion that the company's cash forecasts and revenue projections, taking account of reasonably possible changes in trading performance given current market and economic conditions, show that the company should be able to operate within its current facilities together with this support. Given the existence of cross party guarantees in relation to the companies' financing arrangement, the directors have assessed the financial performance of each of the companies within the Britton group and have a reasonable expectation that each company has adequate resources to continue in operational existence for a period of no less than twelve months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company does not trade and as such the directors do not believe that liquidity, credit or price risk apply to the company. In the directors' opinion, the company has sufficient liquid assets to enable it to pay its liabilities as they fall due and they also consider all intercompany debtor balances to be fully recoverable.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend payment of a dividend (2011: £nil). The loss of £472,000 (2011: loss £2,602,000) has been transferred to reserves.

DIRECTORS

The directors who served during the year and subsequently to the date of this report are:

S Goodman

M Finneran (resigned 31st July 2012)

P Toby

M Clark (resigned 15th August 2011)

T Fox (appointed 12th July 2011 resigned 1st January 2012)

BRITTON FLEXIBLES LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

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

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them 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



S Goodman

Director

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 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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 AUDITOR'S REPORT TO THE MEMBERS OF BRITTON FLEXIBLES LIMITED

We have audited the financial statements of Britton Flexibles Limited for the year ended 30 April 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 auditor

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 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 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 annual report 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of the company's 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.

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to take advantage of the small companies exemption in preparing the directors' report.

 Mark Doleman FCA

Mark Doleman FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

21 December 2012

BRITTON FLEXIBLES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2012

	Note	2012 £'000	2011 £'000
Interest payable and similar charges		<u>(472)</u>	<u>(2,602)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(472)</u>	<u>(2,602)</u>
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(472)</u></u>	<u><u>(2,602)</u></u>

All results are derived from continuing operations

There are no recognised gains and losses other than the loss for the current or preceding financial year. Accordingly, no statement of total recognised gains and losses is presented

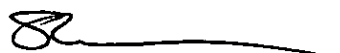
BRITTON FLEXIBLES LIMITED

BALANCE SHEET Year ended 30 April 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	5	26,041	26,041
CURRENT ASSETS			
Debtors	6	9,420	29,063
CREDITORS: amounts falling due within one year	7	(38,497)	(57,668)
NET CURRENT LIABILITIES		(29,077)	(28,605)
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,036)	(2,564)
NET LIABILITIES		(3,036)	(2,564)
CAPITAL AND RESERVES			
Called up share capital	8	10	10
Share premium account	9	990	990
Profit and loss account	9	(4,036)	(3,564)
SHAREHOLDERS' DEFICIT	10	(3,036)	(2,564)

These financial statements of Britton Flexibles Limited (Registered number 06473281) were approved by the Board of Directors and authorised for issue on 20 Dec 2012

Signed on behalf of the Board of Directors



S Goodman
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention with the exception of fixed assets where a revaluation policy is adopted.

Going concern

The company has considerable financial resources available to it. The directors have considered the company's forecasts and the sensitivities within them and they are satisfied that the company is performing in line with its expectations. As a consequence, the directors believe that the company is adequately placed to manage its business risks successfully despite the current economic outlook. Although the company has net current liabilities, the parent company has confirmed that it will not demand repayment of the intercompany creditor for a period of at least 12 months from the date of signing the financial statements.

During the course of the year the group debt facility was refinanced with new facilities made available by Investec Bank Plc. This resulted in new finance of £28.5m advanced to Britton Flexibles Ltd. Since the year end the terms of the debt have been adjusted to allow the debt to be repayable over four years after the balance sheet date. The directors are of the opinion that the group's cash forecasts and revenue projections, taking account of reasonably possible changes in trading performance given current market and economic conditions, show that the group should be able to operate within its current facilities, including loan repayments, and comply with its banking covenants.

The company is supported by its immediate and ultimate parent company and the directors are of the opinion that the company's cash forecasts and revenue projections, taking account of reasonably possible changes in trading performance given current market and economic conditions, show that the company should be able to operate within its current facilities together with this support. Given the existence of cross party guarantees in relation to the companies' financing arrangement, the directors have assessed the financial performance of each of the companies within the Britton group and have a reasonable expectation that each company has adequate resources to continue in operational existence for a period of no less than twelve months from the date of signing the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Goodwill

On the acquisition of a business, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill. Purchased goodwill is amortised in equal annual amounts over its estimated useful life of twenty years. Provision for impairment is made where it is considered that the income to be generated from the relevant business no longer supports the attributed goodwill.

Investments

Fixed asset investments are recorded at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2012

1. ACCOUNTING POLICIES (Continued)

Tangible fixed assets

Fixed assets are stated at historical cost or valuation, less depreciation and provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of all assets, except freehold land. The rates of depreciation are as follows:

Freehold buildings and short leaseholds	2% per annum
Plant, machinery and equipment	Between 10% and 33 3% per annum

Plant and machinery and land and buildings are accounted for under a revaluation policy in accordance with FRS 15 Tangible Fixed Assets. This involves performing full valuations at least every five years and an interim valuation in year three. Interim valuations in years one, two and four are carried out where it is likely that there has been a material change in value.

Any valuation surplus or deficit over book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date, except where the liability is matched by a forward exchange contract, where this is the case, the liability is translated at the future contracted rate. Translation differences are dealt with in the profit and loss account.

Taxation

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 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries where there is no commitment to remit these earnings. 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.

Deal costs

To the extent that costs incurred in a business combination directly relate to either the issue of equity or the issue of debt, costs are capitalised as an asset on the balance sheet and charged to the income statement over the period of repayment on the debt to which they relate. Any costs incurred which are not directly related to the issue of equity or debt are expensed immediately to the income statement.

Related party transactions

The company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' from disclosing transactions with other members of the group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 April 2012

1. ACCOUNTING POLICIES (Continued)

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term

Pension costs

The group pays contributions on behalf of the directors and qualifying employees to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Company contributions are charged directly to the profit and loss account.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Britton Flexibles Limited does not trade and as such has no employees. The directors of Britton Flexibles Limited are also directors of Bravo Bidco Limited and of the trading subsidiaries Britton Taco Limited, Britton Decoflex Limited, Britton Merlin Limited and Britton Group Limited. It is not practicable to allocate the directors' emoluments above between their services to Britton Flexibles Limited and to the trading subsidiaries. The emoluments of the highest paid director in respect of the group is as follows:

	2012 £'000	2011 £'000
Highest paid director		
Emoluments	208	216
Benefits in kind	16	24
Contributions to a defined contribution pension scheme	14	16
	<u>238</u>	<u>256</u>

3. OPERATING PROFIT

Fees payable to the company's auditor for the audit of the company's annual financial statements of £6,000 (2011: £6,000) were borne by a fellow group company.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of (charge)/credit in the period

	2012 £'000	2011 £'000
Current tax		
UK corporation tax at 25.84% (2011: 27.84%) based on the profit for the year	-	-
Total current tax (note 4b)	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	-
Effect of changes in tax rates	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax charge in the period	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 April 2012

4 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

b) Factors affecting the tax charge for the period

The tax assessed for the current year differs to the standard rate of corporation tax in the UK of 25.84% (2011 27.84%). The differences are explained below

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	(472)	(2,602)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	(122)	(724)
Effects of:		
Group relief surrendered for no payment	550	1,307
Imputed interest on intra-group balances	(428)	(947)
Expenses not deductible for tax purposes	-	364
Current tax for the year (note 6a)	-	-

The UK Government announced a reduction in the standard rate of UK corporation tax from 28% to 26% effective 1 April 2011 and to 24% effective 1 April 2012. These rate reductions became substantively enacted in March 2011 and March 2012, respectively. Accordingly, the company's profits for this financial year are taxed at an effective rate of 25.84%.

An additional reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was enacted within the Finance Act 2012 on 17 July 2012. As this reduction was not substantively enacted by the balance sheet date, its effect has not been reflected in these financial statements.

A further reduction in the main rate of corporation tax of 1% to 22% on 1 April 2014 has been announced by the Government but has not yet been substantively enacted, therefore its effect has not been reflected in these financial statements.

BRITTON FLEXIBLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 April 2012

5. INVESTMENTS HELD AS FIXED ASSETS

The company has the following wholly owned subsidiaries incorporated in Great Britain and registered in England and Wales

Company	Shares in subsidiaries £'000
Cost	
At 30 April 2011 and 30 April 2012	<u>26,041</u>
<i>Undertaking</i>	<i>Principal activity</i>
Britton Holdings Limited*	Holding company
Britton Group (Holdings) Limited	Holding company
Britton Group Limited	Holding company
Merlin Group Holdings Limited	Holding company
Britton Merlin Limited	Extrusion, printing, conversion and lamination of polythene films
Britton Group Plastics Limited	Dormant
Britton Taco Limited	Extrusion and conversion of polythene films
Britton Packbourne Limited	Dormant
Britton Precision Limited	Dormant
Britton Security Packaging Limited	Dormant
Britton Decoflex Limited	Manufacture and distribution of polythene security and distribution packaging
Britton Polyian Limited	Dormant
Pampascourt Limited	Employees' share ownership plan trust
Hubcharm Limited	Dormant
Finoplas Limited	Dormant
CK Addison and Company Limited	Dormant
Taco Plastics Limited	Dormant
Tacolin Limited	Dormant
Britton Polymon Limited	Dormant
Merlin Pension Trustees Limited	Dormant

* indicates direct shareholding

BRITTON FLEXIBLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 April 2012

6. DEBTORS

	2012 £'000	2011 £'000
Amounts owed by subsidiary undertakings	9,420	29,063

7. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to ultimate parent company	13,523	57,668
Bank Loans	24,974	-
	38,497	57,668

	2012 £'000	2011 £'000
Bank loans	27,075	-
Debt related deal costs	(2,101)	-
	24,974	-

Since the year end the terms of the debt have been adjusted to allow the debt to be repayable over four years since the balance sheet date

In accordance with FRS 4 "Capital instruments" the debt related deal costs are disclosed as an asset against the gross borrowings. The directors have not allocated the deal costs against specific borrowings in the above note in order to maintain clarity in the notes to the financial statements. The deal costs are being charged to the profit and loss account over the revised term of the specific borrowings, being 5 years. The charge for the period to 30 April 2012 was £472,000 (2011 £2,602,000, due to the remaining debt related deal costs being expensed at the time the associated debt was repaid).

Interest was charged at 8% on the loan notes. The bank loans were secured against various plant and machinery and interest was charged at 2.25% above LIBOR. The invoice discounting facility is secured on the debtors against which they were drawn down. The overdraft is secured against the positive cash balances.

BRITTON FLEXIBLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 April 2012

8. CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
5,010 ordinary shares of £1 each	5	5
4,990 preferred ordinary shares of £1 each	5	5
	<u>10</u>	<u>10</u>

Ordinary and preferred ordinary shares rank pari passu but constitute separate classes of shares

9. RESERVES

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 30 April 2011	10	990	(3,564)	(2,564)
Loss for the year	-	-	(472)	(472)
	<u>10</u>	<u>990</u>	<u>(4,036)</u>	<u>(3,036)</u>
At 30 April 2012	10	990	(4,036)	(3,036)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2012 £'000	2011 £'000
At 30 April 2011	(2,564)	38
Loss for the year	(472)	(2,602)
	<u>(3,036)</u>	<u>(2,564)</u>
At 30 April 2012	(3,036)	(2,564)

11. ULTIMATE CONTROLLING PARTY

Following the acquisition of Britton Flexibles Limited on the 12 April 2011 by Bravo Bidco Limited, a company incorporated in England & Wales, the ultimate parent company and controlling party became Copper Management S a r l & Partners S C A, a company incorporated in Luxembourg. The largest set of financial statements the company is consolidated into, are those prepared by Copper Management S a r l & Partners S C A and the smallest are those prepared by Bravo Bidco Limited.

The consolidated financial statements of Bravo Bidco Limited are available from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.