

**COVERIS BRAVO FLEXIBLES LIMITED**  
**(FORMERLY KNOWN AS BRITTON FLEXIBLES**  
**LIMITED)**

**Report and Financial Statements**

**Year ended 31 December 2013**



**REPORT AND FINANCIAL STATEMENTS 2013**

**CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <b>Officers and professional advisers</b>                          | <b>1</b>    |
| <b>Strategic report</b>  | <b>2</b>    |
| <b>Directors' report</b>   | <b>3</b>    |
| <b>Directors' responsibilities statement</b>                       | <b>7</b>    |
| <b>Independent auditor's report</b>                                | <b>8</b>    |
| <b>Profit and loss account for the year ended 31 December 2013</b> | <b>9</b>    |
| <b>Balance sheet as at 31 December 2013</b>                        | <b>10</b>   |
| <b>Notes to the financial statements</b>                           | <b>11</b>   |

# **COVERIS BRAVO FLEXIBLES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

D Dean (appointed 25<sup>th</sup> March 2013, resigned 21<sup>st</sup> May 2014)  
P Toby  
S Goodman (resigned 26<sup>th</sup> March 2013)  
L Richardson (appointed 24<sup>th</sup> October 2013, resigned 30<sup>th</sup> June 2014)  
K Bostock (appointed 31<sup>st</sup> May 2014)  
M Lapping (appointed 31<sup>st</sup> May 2014)

### **COMPANY SECRETARY**

L Richardson (resigned 30<sup>th</sup> June 2014)

### **REGISTERED OFFICE**

C/O Coveris Flexibles (Winsford) UK Limited  
Road One Industrial Estate  
Winsford  
Cheshire, CW7 3RD

### **BANKERS**

HSBC Bank Plc  
Manchester, United Kingdom

GE Capital Bank Limited  
London, United Kingdom

### **SOLICITORS**

Eversheds LLP  
1 Royal Standard Place  
Nottingham, United Kingdom

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

# **COVERIS BRAVO FLEXIBLES LIMITED**

## **STRATEGIC REPORT**

### **PRINCIPAL ACTIVITIES**

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 period under review. Since the year end the company has changed its name to Coveris Bravo Flexibles Limited

### **REVIEW OF THE BUSINESS**

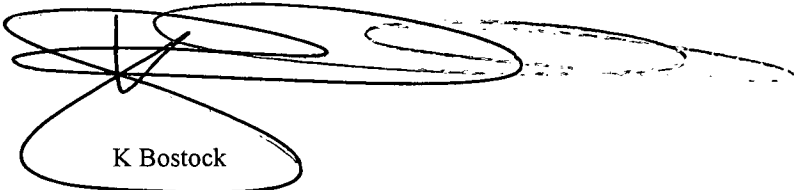
The directors are not aware, at the date of this report, of any likely change in the company's activities in the next year. The company will continue to trade as a holding company in the foreseeable future.

### **FINANCIAL RISK MANAGEMENT**

Following the refinancing of the group during November 2013, the ultimate parent company became Coveris Holding SA. , a company incorporated in Luxembourg.

### **FUTURE DEVELOPMENTS**

The company will continue to trade as a holding company in the foreseeable future.



K Bostock

Director



26 September 2014

# **COVERIS BRAVO FLEXIBLES LIMITED**

## **DIRECTORS REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2013. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

## **FUTURE DEVELOPMENTS**

An indication of the likely future developments of the business is included in the Strategic Report on page 2.

## **CHARITABLE AND POLITICAL DONATIONS**

There were no political or charitable donations during the financial year (2012: nil)

## **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend payment of a dividend (31 December 2012: £nil).

## **FINANCIAL RISK MANAGEMENT**

Financial risk management is described in the Strategic Report on page 2.

## **DIRECTORS**

The directors of the company who were in office during the year and up to the date of signing the financial statements were;

S Goodman (resigned 26<sup>st</sup> March 2013)

P Toby

D Dean (appointed 25<sup>th</sup> March 2013, resigned 21<sup>st</sup> May 2014)

L Richardson (appointed 24<sup>th</sup> October 2013, resigned 30<sup>th</sup> June 2014)

K Bostock (appointed 31<sup>st</sup> May 2014)

M Lapping (appointed 31<sup>st</sup> May 2014)

## **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.

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.

During the period, along with various other Coveris affiliates, the group debt facility was refinanced with new ABL facilities made available by GE Capital Bank Limited and a Term loan issued by Exopack Holdings S.A.

### ***New Term Loan***

On November 8, 2013, we entered into an intercompany loan agreement (the "New Term Loan") with Exopack Holdings S.A. We borrowed a single draw sterling denominated term loan of approximately £18,120,000 (the "New Term Loan - GBP Tranche") pursuant to the New Term Loan Facility Agreement.

The New Term Loan matures on November 7th 2020 and will, for the duration of the agreement, bear interest at a rate of 6.5% payable at each calendar quarter end. All obligations under the New Term Loan and any secured hedging arrangements and secured cash management agreements provided by lenders or affiliates thereof will be unconditionally guaranteed by the Guarantors.

The New Term Loan Facility Agreement does not include any financial covenants but has customary events of default (subject to materiality thresholds and standstill and grace periods), including:

## COVERIS BRAVO FLEXIBLES LIMITED

(a) non-payment of obligations (subject to a thirty day grace period); (b) non-performance of obligations (subject to a sixty-day grace period); (c) unlawfulness (d) cross default and cross acceleration to material indebtedness; (e) insolvency and (f) legal actions

### ***ABL Facility***

Under the facility with GE Capital Bank Limited (“GE”), dated November 8th 2013 (the “GE UK Facility”) certain wholly-owned subsidiaries of Exopack Holdings S.A (the “Clients”) assign to GE Capital Bank Limited certain debts which, subject to customary conditions, GE is obliged to buy and accept. Certain wholly-owned subsidiaries are guarantors under the GE UK Facility (the “UK Obligors”). The Clients and UK Obligors have granted security in favour of GE over non-vesting debts and a floating charge over all assets subject to the terms of an Inter-creditor Agreement.

The GE UK Facility is comprised of an invoice finance facility for which the aggregate loan advance limit is £69.0 million (the “Invoice Facility”) and a revolving inventory finance facility for which the aggregate current account limit is £20.0 million (the “Revolving Inventory Facility”). Under the Invoice Facility, the advance percentage for the assigned debts is 90% of the nominal amount of the debt, subject to reduction in respect of the discount rate, service charges and other liabilities. Under the Revolving Inventory Facility, the loan advance percentage of the eligible inventory is 80% of the net orderly liquidation value of that inventory, subject to reduction in respect of certain customary reserves.

The GE UK Facility has recourse terms where the Clients and UK Obligors bear the credit risk of the transactions (including where the underlying debtor fails to pay). The GE UK Facility has a term of five years and any termination of the contract requires either three months’ prior notice where there is a refinancing or one month’s prior notice where there is a sale of the Company. Customary representations and warranties are included in the GE UK Facility and customary restrictions on disposals of assets and granting liens are also included. Events of default include failure to pay, misrepresentation, insolvency, insolvency proceedings, breach of obligations and cross-acceleration and cross-default to other indebtedness of the Clients or the UK Obligors. A mandatory prepayment is required upon the change of control of a Client or UK Obligor subject to minimum thresholds in respect of EBITDA, gross assets or turnover being satisfied. In addition, if the availability under the Invoice Facility plus the availability under the Revolving Inventory Facility plus the equivalent concept of availability under the GE Germany Facility and the GE French Facilities is less than \$14,583,000, the Clients shall not permit the ratio of operating cash flow of the Company to the fixed charges of the Company to be less than 1.00:1.00.

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 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 (31 December 2012: £nil). The loss of £1,759,000 for the year ended 31 December 2013 (eight month period ended 30 April 2012: £342,000) has been transferred to reserves.

# COVERIS BRAVO FLEXIBLES LIMITED

## DIRECTORS' REPORT (Continued)

### INDEPENDENT AUDITORS

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. PricewaterhouseCoopers 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



K Bostock  
Director



26 September 2014

# **COVERIS BRAVO FLEXIBLES LIMITED**

## **DIRECTORS' REPORT (Continued)**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic report, 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 prepared 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; 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.

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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVERIS BRAVO FLEXIBLES LIMITED**

**Report on the financial statements**

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**Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

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**What we have audited**

The financial statements, which are prepared by Coveris Bravo Flexibles Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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**What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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**Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVERIS BRAVO FLEXIBLES LIMITED (Continued)**

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**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

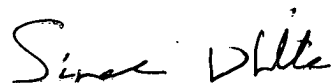
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**Our responsibilities and those of the directors**

As explained more fully in the Directors' responsibilities statement set out on page 6, 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 ISAs (UK & 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.



Simon White (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
26 September 2014

# COVERIS BRAVO FLEXIBLES LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2013

|  | Note | Year<br>ended 31<br>December<br>2013<br>£'000 | Period<br>ended 31<br>December<br>2012<br>£'000 |
|--|------|---|---|
| Interest payable and similar charges               | 8    | (1,759)                                       | (342)   |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | <u>(1,759)</u>                                | <u>(342)</u>                                    |
| Tax on loss on ordinary activities                 | 4    | -   | -   |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                 | 10   | <u><u>(1,759)</u></u>                         | <u><u>(342)</u></u>                             |

All results are derived from continuing operations in the current year and prior period.

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


There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year/period stated above and their historical costs equivalents.

# COVERIS BRAVO FLEXIBLES LIMITED

## BALANCE SHEET 31 December 2013

|  | Note | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|--|------|---------------------------------|---------------------------------|
| <b>FIXED ASSETS</b>  |      |                                 |                                 |
| Investments  | 5    | 26,041                          | 26,041                          |
| <b>CURRENT ASSETS</b>  |      |                                 |                                 |
| Debtors  | 6    | 2,481                           | 8,070                           |
| Cash at bank and in hand                                       |      | 1,044                           | -                               |
|  |      | <hr/>                           | <hr/>                           |
|  |      | 3,525                           | 8,070                           |
| <b>CREDITORS: amounts falling due within one year</b>          | 7    | (16,583)                        | (23,648)                        |
|  |      | <hr/>                           | <hr/>                           |
| <b>NET CURRENT LIABILITIES</b>                                 |      | (13,058)                        | (15,578)                        |
|  |      | <hr/>                           | <hr/>                           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 12,983                          | 10,463                          |
|  |      | <hr/>                           | <hr/>                           |
| <b>CREDITORS: amounts falling due after more than one year</b> | 8    | (18,120)                        | (13,841)                        |
|  |      | <hr/>                           | <hr/>                           |
| <b>NET LIABILITIES</b>   |      | (5,137)                         | (3,378)                         |
|  |      | <hr/>                           | <hr/>                           |
| <b>CAPITAL AND RESERVES</b>                                    |      |                                 |                                 |
| Called up share capital  | 9    | 10                              | 10                              |
| Share premium account  | 10   | 990                             | 990                             |
| Profit and loss account  | 10   | (6,137)                         | (4,378)                         |
|  |      | <hr/>                           | <hr/>                           |
| <b>TOTAL SHAREHOLDERS' DEFICIT</b>                             | 11   | (5,137)                         | (3,378)                         |
|  |      | <hr/>                           | <hr/>                           |

The financial statements on pages 7 to 16 were approved by the Board of Directors on 26/4/14 and signed on its behalf by

  
K Bostock  
Director

Company No. 06473281

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies adopted have been applied consistently and 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.

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.

During the period, along with various other Coveris affiliates, the group debt facility was refinanced with new ABL facilities made available by GE Capital Bank Limited and a Term loan issued by Exopack Holdings S.A.

As such the financial statements have been prepared on the basis of going concern.

***New Term Loan***

On November 8, 2013, we entered into an intercompany loan agreement (the "New Term Loan") with Exopack Holdings S.A. We borrowed a single draw sterling denominated term loan of approximately £18,120,000 (the "New Term Loan - GBP Tranche") pursuant to the New Term Loan Facility Agreement.

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The New Term Loan Facility Agreement does not include any financial covenants but has customary events of default (subject to materiality thresholds and standstill and grace periods), including:

(a) non-payment of obligations (subject to a thirty day grace period); (b) non-performance of obligations (subject to a sixty-day grace period); (c) unlawfulness (d) cross default and cross acceleration to material indebtedness; (e) insolvency and (f) legal actions

***ABL Facility***

Under the facility with GE Capital Bank Limited ("GE"), dated November 8th 2013 (the "GE UK Facility") certain wholly-owned subsidiaries of Exopack Holdings S.A (the "Clients") assign to GE Capital Bank Limited certain debts which, subject to customary conditions, GE is obliged to buy and accept. Certain wholly-owned subsidiaries are guarantors under the GE UK Facility (the "UK Obligors"). The Clients and UK Obligors have granted security in favour of GE over non-vesting debts and a floating charge over all assets subject to the terms of an Inter-creditor Agreement.

The GE UK Facility is comprised of an invoice finance facility for which the aggregate loan advance limit is £69.0 million (the "Invoice Facility") and a revolving inventory finance facility for which the aggregate current account limit is £20.0 million (the "Revolving Inventory Facility"). Under the Invoice Facility, the advance percentage for the assigned debts is 90% of the nominal amount of the debt, subject to reduction in respect of the discount rate, service charges and other liabilities. Under the Revolving Inventory Facility, the loan advance percentage of the eligible inventory is 80% of the net orderly liquidation value of that inventory, subject to reduction in respect of certain customary reserves.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 December 2013****1. ACCOUNTING POLICIES (Continued)****Going concern (Continued)**

The GE UK Facility has recourse terms where the Clients and UK Obligors bear the credit risk of the transactions (including where the underlying debtor fails to pay). The GE UK Facility has a term of five years and any termination of the contract requires either three months' prior notice where there is a refinancing or one month's prior notice where there is a sale of the Company. Customary representations and warranties are included in the GE UK Facility and customary restrictions on disposals of assets and granting liens are also included. Events of default include failure to pay, misrepresentation, insolvency, insolvency proceedings, breach of obligations and cross-acceleration and cross-default to other indebtedness of the Clients or the UK Obligors. A mandatory prepayment is required upon the change of control of a Client or UK Obligor subject to minimum thresholds in respect of EBITDA, gross assets or turnover being satisfied. In addition, if the availability under the Invoice Facility plus the availability under the Revolving Inventory Facility plus the equivalent concept of availability under the GE Germany Facility and the GE French Facilities is less than \$14,583,000, the Clients shall not permit the ratio of operating cash flow of the Company to the fixed charges of the Company to be less than 1.00:1.00.

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 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.

**Investments**

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

**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.

**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.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

# COVERIS BRAVO FLEXIBLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors Coveris Bravo Flexibles Limited (formerly Britton Flexibles Limited) of are also directors of Bravo Bidco Limited, Britton Holdings Limited, Coveris Flexibles (Winsford) UK Limited, Coveris Flexibles (Louth) UK Limited, Coveris Flexibles (Hartlepool) UK Limited and Coveris UK Bravo Group Limited. It is not practicable to allocate the directors' emoluments between their services to Coveris Bravo Flexibles Limited (formerly Britton Flexibles Limited) and to the other group companies. As such the directors' emoluments are borne by a fellow group company. The directors of the company received emoluments, including benefits in kind, of £547,000 (31 December 2012: £250,000) and contributions to the defined contribution scheme of £52,000 (31 December 2012: £27,000). The emoluments of the highest paid director in respect of the company are as follows:

:

|  | Year<br>ended 31<br>December<br>2013<br>£'000 | Period<br>ended 31<br>December<br>2012<br>£'000 |
|--|---|---|
| <b>Highest paid director</b>                           |   |   |
| Emoluments   | 187   | 127   |
| Benefits in kind                                       | 8   | 11  |
| Contributions to a defined contribution pension scheme | 20  | 15  |
|  | <u>215</u>                                    | <u>153</u>                                      |

### 3. OPERATING PROFIT

Fees payable to the company's auditor for the audit of the company's annual financial statements of £5,400 (31 December 2012: £5,400) were borne by a fellow group company.

### 4. TAX ON LOSS ON ORDINARY ACTIVITIES

#### a) Analysis of charge in the year/period

|  | Year<br>ended 31<br>December<br>2013<br>£'000 | Period<br>ended 31<br>December<br>2012<br>£'000 |
|--|---|---|
| Total current tax (note 4b)                | -   | -   |
| <b>Deferred tax</b>                        |   |   |
| Total deferred tax                         | -   | -   |
| <b>Total tax charge in the year/period</b> | <u>-</u>                                      | <u>-</u>  |

# COVERIS BRAVO FLEXIBLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 4. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

#### b) Factors affecting the tax charge for the year/period

The tax assessed for the current period differs to the standard rate of corporation tax in the UK of 23.25% (31 December 2012: 24%). The differences are explained below:

|   | Year<br>ended 31<br>December<br>2013<br>£'000 | Period<br>ended 31<br>December<br>2012<br>£'000 |
|---|---|---|
| Loss on ordinary activities before tax  | (1,759)                                       | (342)   |
| Loss on ordinary activities multiplied by the standard<br>rate of corporation tax in the UK | (409)   | (82)  |
| Effects of:   |   |   |
| Imputed interest on intra-group balances  | 830   | (287)   |
| Group relief surrendered / (received) for no payment  | (421)   | 369   |
| Current tax for the year/period (note 4a)   | -   | -   |

#### c) Future tax changes

The UK Government announced changes in the standard rate of UK corporation tax from 24% to 23% effective 1 April 2013, a reduction in the main rate of corporation tax of 2% to 21% on 1 April 2014 and a further reduction in the main rate of corporation tax of 1% to 20% on 1 April. These rate reductions became substantively enacted on 2<sup>nd</sup> July 2013. Accordingly, the company's losses for this financial year are taxed at a rate of 23.25 %.



# COVERIS BRAVO FLEXIBLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 5. INVESTMENTS

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

| Company                                   | Shares in subsidiaries<br>£'000   |
|---|---|
| Cost                                      |   |
| At 31 December 2012 and 31 December 2013  | 26,041  |
| <i>Undertaking</i>                        | <i>Principal activity</i>   |
| Britton Holdings Limited*                 | Holding company   |
| Britton Group (Holdings) Limited          | Holding company   |
| Coveris UK Bravo Group Limited            | Holding company   |
| Merlin Group Holdings Limited             | Holding company   |
| Britton Polymon Limited                   | Dormant   |
| Hubcharm Limited                          | Dormant   |
| Britton Packbourne Limited                | Dormant   |
| Britton Precision Limited                 | Dormant   |
| Britton Group Plastic Limited             | Dormant   |
| Taco Plastics Limited                     | Dormant   |
| Tacolin Limited                           | Dormant   |
| Coveris Flexibles (Louth) UK Limited      | Extrusion, printing, conversion and lamination of polythene films             |
| Coveris Flexibles (Winsford) UK Limited   | Extrusion and conversion of polythene films                                   |
| Britton Security Packaging Limited        | Dormant   |
| Coveris Flexibles (Hartlepool) UK Limited | Manufacture and distribution of polythene security and distribution packaging |
| Britton Polyian Limited                   | Dormant   |
| Pampascourt Limited                       | Employees' share ownership plan trust   |
| Merlin Pension Trustees Limited           | Dormant   |

\* indicates direct shareholding.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

# COVERIS BRAVO FLEXIBLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2013

### 6. DEBTORS

|                                    | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|------------------------------------|---------------------------------|---------------------------------|
| Amounts owed by group undertakings | 2,481                           | 8,070                           |

The amounts owed by group undertakings are due on demand.

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|--|---------------------------------|---------------------------------|
| Amounts owed to immediate parent company | 16,583                          | 16,523                          |
| Bank Loans and overdrafts                | -                               | 7,125                           |
|  | 16,583                          | 23,648                          |

The bank loans were secured against property and various items of plant and machinery. Interest was charged at rates of between 4.25% and 4.75% above Bank of England base. The amounts owed to the ultimate parent company are repayable on demand.

|                           | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|---------------------------|---------------------------------|---------------------------------|
| Bank loans and overdrafts | -                               | 7,125                           |
|                           | -                               | 7,125                           |

# COVERIS BRAVO FLEXIBLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 8. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

|   | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|---|---------------------------------|---------------------------------|
| Amounts owed to ultimate parent company | (18,120)                        | -                               |
| Bank loans and overdrafts               | -                               | 15,600                          |
| Debt related deal costs                 | (1,759)                         | (342)                           |
|   | <u>(19,879)</u>                 | <u>15,258</u>                   |

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 charge for the period to 31 December 2013 was £1,759,000 (31 December 2012: £342,000) due to the remaining debt related deal costs being expensed at the time the associated debt was repaid.

### 9. CALLED UP SHARE CAPITAL

|   | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|---|---------------------------------|---------------------------------|
| <b>Allotted, called up and fully paid</b>                           |                                 |                                 |
| 5,010 (31 December 2012:5,010) ordinary shares of £1 each           | 5                               | 5                               |
| 4,990 (31 December 2012:4,990) 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.

### 10. RESERVES

|                     | Called Up<br>Share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Profit<br>and loss<br>account<br>£'000 | Total<br>£'000 |
|---------------------|--|--------------------------------------|--|----------------|
| <b>Company</b>      |  |                                      |  |                |
| At 1 January 2013   | 10                                     | 990                                  | (4,378)                                | (3,378)        |
| Loss for the year   | -                                      | -                                    | (1,759)                                | (1,759)        |
|                     | <u>10</u>                              | <u>990</u>                           | <u>(6,137)</u>                         | <u>(5,137)</u> |
| At 31 December 2013 | <u>10</u>                              | <u>990</u>                           | <u>(6,137)</u>                         | <u>(5,137)</u> |

# COVERIS BRAVO FLEXIBLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

|                          | 31<br>December<br>2013<br>£'000 | 31<br>December<br>2012<br>£'000 |
|--------------------------|---------------------------------|---------------------------------|
| At 1 January 2013        | (3,378)                         | (3,036)                         |
| Loss for the year/period | (1,759)                         | (342)                           |
| At 31 December 2013      | <u>(5,137)</u>                  | <u>(3,378)</u>                  |

### 12. ULTIMATE CONTROLLING PARTY

The immediate parent company is Bravo Bidco Limited.

The ultimate parent company and controlling party is Coveris Holdings S.A., a company incorporated in Luxembourg. The largest set of financial statements the company is consolidated into, are those prepared by Coveris Holdings S.A and the smallest are those prepared by Copper International Holdings S.à.r.l.

The consolidated financial statements of Coveris Holdings SA are available from 5, rue Guillaume Kroll, L-1882 Luxembourg, R.C.S. Luxembourg: B 0166096.