

Registered number: 2702506

Bemis Elsham Limited

Directors' report and financial statements

For the year ended 31 December 2012

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Bemis Elsham Limited

Company Information

Directors	Marc Dussart (resigned 6 July 2012) Willem Van der Smissen J S Krempa J W Ransom (resigned 6 July 2012) W F Austen (appointed 9 July 2012) G B C Taillandier (appointed 6 July 2012)
Company secretary	Pincent Masons Secretarial Limited
Company number	2702506
Registered office	The Flarepath Elsham Wolds Industrial Estate Brigg North Lincolnshire DN20 0SP
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Humber Quays Wellington Street West Hull HU1 2BN

Bemis Elsham Limited

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Bemis Elsham Limited

Directors' report For the year ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company is the production and supply of packaging and packaging materials

Business review

Sales decreased slightly during 2012. This was partly due to a reduction in sales from our number 1 customer alongside lost business from other customers. A combination of World Class Manufacturing and improvements in our physical environment made us a more reliable and cost effective supplier. The business with Perfecseal has continued to grow and this has made us less dependent on our historical number 1 customer. This number 1 customer announced in summer 2012 to withdraw the product range we are supplying from the European market.

The stopping of the supply to our number 1 customer will be compensated with more sales to other customers. While we have a solid base to build on, the change, rising raw material prices and an economy still recovering are likely to limit growth for the year.

Results

The loss for the financial year, amounted to £206 thousand (2011 - profit £163 thousand)

The directors do not recommend the payment of a dividend (2011 Nil) and the loss for the year has been added to the deficit on reserves.

Directors

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

Marc Dussart (resigned 6 July 2012)
Willem Van der Smissen
J S Krempa
J W Ransom (resigned 6 July 2012)
W F Austen (appointed 9 July 2012)
G B C Taillandier (appointed 6 July 2012)

Financial risks

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company also has a credit risk in relation to cash and deposits with financial institutions, which is kept under review by the directors.

Liquidity risk

The company retains sufficient cash to ensure it has sufficient available funds for operations. The company also has access to longer term funding from its ultimate parent undertaking, if required.

Bemis Elsham Limited

Directors' report For the year ended 31 December 2012

Interest rate cash flow risk

The company has interest bearing assets. Interest bearing assets consist of cash balances, which earn interest at a floating rate. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Key performance indicators

The Company's directors make extensive use of key performance indicators. In addition to standard financial KPI's e.g. return on sales, invested capital, we also use KPI's for all major cost variables e.g. energy, waste, productivity.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited 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 audited 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,
- prepare the audited 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 audited 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on **7 NOVEMBER 2013** and signed on its behalf



Willem van der Smissen
Director

Bemis Elsham Limited

Independent auditors' report to the members of Bemis Elsham Limited

We have audited the financial statements of Bemis Elsham Limited for the year ended 31 December 2012 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 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.

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. In addition, we read all the financial and non-financial information in the Directors' 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 31 December 2012 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 properly 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.

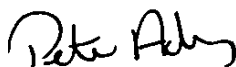
Bemis Elsham Limited

Independent auditors' report to the members of Bemis Elsham 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



Peter Adams (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

Date 8/11/2013

Bemis Elsham Limited

Profit and loss account For the year ended 31 December 2012

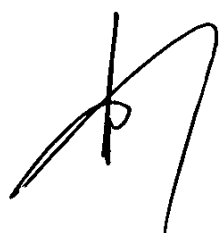
	Note	2012 £000	2011 £000
Turnover	1,2	16,076	16,436
Cost of sales		(14,067)	(14,528)
Exceptional cost of sales - impairment		(94)	-
Total cost of sales		(14,161)	(14,528)
Gross profit		1,915	1,908
Distribution costs		(342)	(297)
Administrative expenses		(1,840)	(1,390)
Operating (loss)/profit	3	(267)	221
Interest receivable and similar income	5	2	4
(Loss)/profit on ordinary activities before taxation		(265)	225
Tax on (loss)/profit on ordinary activities	6	59	(62)
(Loss)/profit for the financial year	13	(206)	163

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

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

The notes on pages 7 to 13 form part of these financial statements



Bemis Elsham Limited
Registered number: 2702506

Balance sheet
As at 31 December 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Tangible assets	7		3,626		4,207
Current assets					
Stocks	8	1,232		1,504	
Debtors	9	1,938		1,756	
Cash at bank and in hand		1,975		1,359	
		<u>5,145</u>		<u>4,619</u>	
Creditors amounts falling due within one year	10	<u>(1,706)</u>		<u>(1,479)</u>	
Net current assets			3,439		3,140
Total assets less current liabilities			<u>7,065</u>		<u>7,347</u>
Provisions for liabilities					
Deferred taxation	11		<u>(24)</u>		<u>(100)</u>
Net assets			<u>7,041</u>		<u>7,247</u>
Capital and reserves					
Called up share capital	12		9,272		9,272
Profit and loss account	13		<u>(2,231)</u>		<u>(2,025)</u>
Total shareholders' funds	14		<u>7,041</u>		<u>7,247</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 NOVEMBER 2013


Willem Van der Smissen
 Director

The notes on pages 7 to 13 form part of these financial statements

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The accounting policies have been applied consistently.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover is stated net of value added tax and represents the amounts derived from the provision of goods and services which fall within the company's continuing principal activity. Turnover is recognised when the goods are despatched to the customer.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	up to 40 years
Plant & machinery	-	5-12 years
Fixtures & fittings	-	3-12 years

No depreciation is provided on assets in the course of construction until they are commissioned.

1.5 Stocks

Stocks and work in progress are stated at the lower of cost, on a first in first out basis, and net realisable value.

Cost represents expenses incurred in bringing each product to its present location and condition and includes a measurable proportion of labour and manufacturing overheads based on normal levels of activity.

Provision is made for obsolete and slow-moving items where appropriate.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

1. Accounting policies (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.8 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

1.9 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

2 Turnover

The whole of the turnover is attributable to the production and supply of packaging and packaging materials

A geographical analysis of turnover is as follows

	2012 £000	2011 £000
United Kingdom	14,169	14,608
Rest of European Union	1,907	1,828
	<u>16,076</u>	<u>16,436</u>

3 Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2012 £000	2011 £000
Depreciation of tangible fixed assets		
- owned by the company	603	613
Auditors' remuneration	14	14
Difference on foreign exchange	107	22
Loss on sale of tangible assets	-	6
Hire of plant and equipment	142	125
	<u>866</u>	<u>880</u>

During the year, no director received any emoluments (2011 - £NIL)

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

4 Staff costs

Staff costs were as follows

	2012 £000	2011 £000
Wages and salaries	2,549	2,623
Social security costs	247	266
Other pension costs	61	68
	<u>2,857</u>	<u>2,957</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No.
Production	67	73
Administration	23	26
	<u>90</u>	<u>99</u>

5. Interest receivable

	2012 £000	2011 £000
Interest receivable from group companies	-	2
Other interest receivable	2	2
	<u>2</u>	<u>4</u>

6. Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	35	135
Adjustments in respect of prior periods	(18)	(19)
Total current tax	<u>17</u>	<u>116</u>
Deferred tax		
Origination and reversal of timing differences	(84)	(56)
Effect of decrease in tax rate on opening liability	(4)	(9)
Adjustments in respect of prior years	12	11
Total deferred tax (see note 11)	<u>(76)</u>	<u>(54)</u>
Tax on (loss)/profit on ordinary activities	<u>(59)</u>	<u>62</u>

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%). The differences are explained below

	2012 £000	2011 £000
(Loss)/profit on ordinary activities before tax	(265)	225
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%)	(65)	60
Effects of:		
Expenses not deductible for tax purposes	16	21
Depreciation for the year in excess of capital allowances	84	56
Adjustments in respect of prior periods	(18)	(19)
Short term timing difference leading to an increase (decrease) in taxation	-	1
Other timing differences leading to an increase (decrease) in taxation	-	(3)
Current tax charge for the year (see note above)	17	116

Factors that may affect future tax charges

During the year, as a result of the changes in the UK corporation tax rate to 24%, which was substantively enacted on 26 March 2012 and was effective from 1 April 2012 and to 23% which was substantively enacted on 3 July 2012 and is effective from 1 April 2013, the relevant deferred tax balances have been re-measured

Further reductions to the UK corporation tax rate have been announced. The changes propose to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

7. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost				
At 1 January 2012	3,786	11,882	1,473	17,141
Additions	-	89	27	116
Disposals	-	(267)	(227)	(494)
At 31 December 2012	3,786	11,704	1,273	16,763
Accumulated depreciation				
At 1 January 2012	1,229	10,707	998	12,934
Charge for the year	94	436	73	603
On disposals	-	(267)	(227)	(494)
Impairment charge	-	94	-	94
At 31 December 2012	1,323	10,970	844	13,137
Net book value				
At 31 December 2012	2,463	734	429	3,626
At 31 December 2011	2,557	1,175	475	4,207

8. Stocks

	2012 £000	2011 £000
Raw materials	510	555
Work in progress	374	389
Finished goods and goods for resale	348	560
	1,232	1,504

9. Debtors

	2012 £000	2011 £000
Trade debtors	721	1,145
Amounts owed by group undertakings	1,063	558
Corporation tax	67	-
Prepayments and accrued income	87	53
	1,938	1,756

The amounts owed by group undertakings are unsecured, repayable on normal trading terms & interest free, except for a loan of £Nil (2011 £183,000) on which interest of UK base rate plus 0.25% was due

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

10. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	831	880
Amounts owed to group undertakings	295	110
Corporation tax	35	47
Other taxation and social security	395	336
Other creditors	6	7
Accruals and deferred income	144	99
	<u>1,706</u>	<u>1,479</u>

11. Deferred taxation

	2012 £000	2011 £000
At beginning of year	100	154
Released during year	(76)	(54)
	<u>24</u>	<u>100</u>

The provision for deferred taxation is made up as follows

	2012 £000	2011 £000
Accelerated capital allowances	26	102
Other timing differences	(2)	(2)
	<u>24</u>	<u>100</u>

12. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
9,272,495 (2011 9,272,495) Ordinary shares of £1 each	<u>9,272</u>	<u>9,272</u>

13. Reserves

	Profit and loss account £000
At 1 January 2012	(2,025)
Loss for the financial year	(206)
	<u>(2,231)</u>
At 31 December 2012	

Bemis Elsham Limited

Notes to the financial statements For the year ended 31 December 2012

14. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	7,247	7,084
(Loss)/profit for the year	(206)	163
Closing shareholders' funds	<u>7,041</u>	<u>7,247</u>

15. Pension commitments

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The cost of contributions made to the scheme amounted to £60,536 (2011 £67,901). Outstanding contributions at 31 December 2012 amounted to £5,937 (2011 £6,722).

16. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £000	2011 £000
Expiry date:		
Within 1 year	9	4
Between 2 and 5 years	<u>85</u>	<u>42</u>

17. Related party transactions

The company has taken advantage of the exemption provided by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with other members of the group.

18. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Bemis Company Inc, a company incorporated in USA.

Bemis Company Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of Bemis Company Inc are available from the company's registered office at 222 South 9th Street, Suite 2300, Minneapolis, MN 55402-4099.