COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED

ANNUAL REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED

COMPANY INFORMATION

DIRECTORS:	I R B Partington D Patterson K R Bostock M E Lapping
SECRETARY:	K R Bostock
REGISTERED OFFICE:	Holland Place Wardentree Park Pinchbeck Spalding Lincolnshire PE11 3ZN
REGISTERED NUMBER:	04786458 (England and Wales)
AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Donington Court Pegasus Business Park Castle Donington East Midlands DE74 2UZ
SOLICITORS:	DLA Piper Princes Exchange Princes Square Leeds
BANKERS:	Barclays Bank plc Third Floor 15 Colmore Row PO Box 3333 Birmingham B3 2WN LS1 4BY Bank Mendes Gans Herengracht 619 1017CE Amsterdam The Netherlands

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for the year ended 31 December 2015.

PRINCIPAL ACTIVITY
The principal activity of Coveris Flexibles (Gainsborough) UK Limited (the "company") is the manufacture and sale of flexible packaging products that are used predominantly in the Food and Consumer markets.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS
Over the past few years Coveris has significantly invested in the UK Food and Consumer Packaging market through a number of acquisitions, including Coveris Flexibles (Gainsborough) UK Limited. In order to better serve customers and align the operational performance and strategy of these acquired businesses, during 2014, the Coveris UK Food and Consumer Division was created.

During 2015, the Coveris UK Food and Consumer division started a business simplification programme resulting in the trade and assets of Learoyd Packaging Limited, Coveris Flexibles (Louth) UK Limited, Coveris Flexibles (Hartlepool) UK Limited), Coveris Flexibles (Winsford) UK Limited, Bravo Bidco Limited, Coveris UK Bravo Group Limited and Coveris Bravo Flexibles Limited being transferred into Coveris Flexibles (Gainsborough) UK Limited. This has materially impacted the company's results and financial position for 2015. Additional disclosure around the transfer of the trade and assets of these group companies can be found in the notes to the financial statements.

Revenues increased to £101.6m (2014: £46.2m) predominantly as a direct result of the above acquisitions (£50.0m increase). Despite the tough economic climate, we have maintained our strategy of investing in our staff and equipment which has seen organic revenues grow by c12% within the former Coveris Flexibles (Gainsborough) UK business. Overall gross margins reduced to 12.5% (2014: 17.6%) due to continued pressure within the market place and deteriorating values of sterling, increasing the prices of foreign currency denominated raw materials. With the decision for the UK to leave the EU the deterioration in the value of sterling is likely to have further negative impacts on the financial performance in 2016, however measures are being taken by management to mitigate this impact.

Administrative expenses have increased during the year to £8.9m (2014: £3.1m). The increase is predominantly due to the company taking an increased allocation (£3.7m) of the group's overhead costs following the transfer of trades from other group companies. This is partially offset by other operating income of £3.0m relating to management charges. Exceptional income of £11.3m has also arisen this year due to the intercompany balances being waived following the group restructure.

The overall profit before tax for the year has increased to £15.2m (2014: £4.3m). Pre-exceptional EBITDA for the year was £10.9m (2014: £7.2m)

The level of total fixed assets has increased by £34.2m due to the capital investment being greater than the annual depreciation charge, and the assets acquired as part of the group restructure.

The group continues to trade well despite the difficult economic climate. Although we foresee that the consumer market will remain challenging, our management team and customer relationships are such that we anticipate continued sustainable growth in the medium to long term.

KEY PERFORMANCE INDICATORS ("KPIS")
Given the straightforward nature of the businesses within the group, the company's directors are of the opinion that analysis using KPI's, other than that included within the review of business, is not necessary for an understanding of the development, performance or position of the business.

COVERIS FLEXIBLES (GAINSBOROUGH) UK
LIMITED (REGISTERED NUMBER: 04786458)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

PRINCIPAL RISKS AND UNCERTAINTIES

The principal and financial risks and uncertainties are managed on a group wide basis. The management of the business and the execution of the group's strategy are subject to a number of principal risks and uncertainties, the most significant being raw material price inflation, product quality and customer relationship/demand management.

Raw material price inflation, either caused by fluctuations in commodity prices or foreign exchange rates, can have an impact on the cost price of the group's products. The group has a dedicated operational team that consolidates the group purchasing to build strong relationships with key suppliers and also ensure that we have sufficient raw materials to meet forecasted demand. Purchasing contracts are agreed in advance in order to minimise the risk of commodity price fluctuations having a negative impact on the group. The group also regularly reviews its operational format and invests in new machinery and techniques in order to minimise raw material stock wastage.

Product quality is of paramount importance as a failure in product quality could have a significant impact on the group. Our raw materials are sourced from a stable supplier base and pass through a number of quality control processes, both at our suppliers and at our manufacturing locations. Suppliers are selected based upon previous experience and we operate approved supplier lists. Batches of products are tested daily for quality to ensure they meet the group's stringent standards, prior to being despatched to our customers.

Maintaining good working relationships with customers is of paramount importance to the group, therefore being able to predict customer demand and responding to customer requests is key to achieving this. The group utilises its own experience to forecast customer demand and also regularly meets with key customers to identify any changes in demand. The group has also invested in a number of manufacturing plants based across the United Kingdom, in upgrading its plant and machinery and in training its dedicated workforce in order to allow the group to respond to changes in demand whilst maintaining its strict quality standards.

FINANCIAL RISK MANAGEMENT

Due to being part of the Coveris group, the financial risk management of the company is managed on a group wide basis by the Coveris Holdings SA central finance team. The financial risk management risks and policies are disclosed in the consolidated financial statements of Coveris Holdings SA. The elements which are controlled by the company are disclosed below:

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash balances and intercompany loans. Interest bearing liabilities comprise of bank overdrafts and intercompany loans. The cash assets are subject to interest rate fluctuations as are the bank overdraft liabilities. The UK group intercompany loan liabilities are free from interest. Intercompany loan assets and liabilities with entities outside the UK group have fixed interest rates of 6.5%. The group reviews its interest rate policy on a regular basis.

The company is exposed to liquidity risk. The company has committed financing through its parent undertakings and the group finance team regularly monitor available cash balances and available facilities to ensure that the group has sufficient funds to meet its obligations.

The company is exposed to credit risk as a result of its operations. Prior to sales being made appropriate checks are performed over the ability of the customer to pay. Regular reviews of credit limits and monitoring of the aged debtors ledger are utilised to minimise the risk to the group on an ongoing basis. Credit insurance is also utilised to further mitigate the risk of loss to the group.

On behalf of the board

K R Bostock - Director
29 September 2016

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report with the audited financial statements of the company for the year ended 31 December 2015.

DIVIDENDS
No dividends were declared or paid during the year (2014 - £Nil)

FUTURE DEVELOPMENTS AND FINANCIAL RISK MANAGEMENT
These are included within the strategic report.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2015 to the date of signing this report.

I R B Partington
D Patterson
K R Bostock
M E Lapping

EMPLOYEES
Regular meetings are held between management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the bonus schemes linked to operating profit.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives occurs at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the group as a whole.

DISABLED EMPLOYEES
The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Report of the Directors 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the board:

....
K R Bostock - Director
29 September 2016

Report on the financial statements

Our opinion

In our opinion, Coveris Flexibles (Gainsborough) UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the strategic report and the report of the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

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.

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities, 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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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.

Katharine Warrington

Katharine Warrington (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
30 September 2016

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £'000	2014 (Restated Note 1) £'000
TURNOVER	2	101,640	46,179
Cost of sales		(88,935)	(38,053)
GROSS PROFIT		12,705	8,126
Other operating income	4	14,258	-
Administrative expenses		(8,908)	(3,120)
OPERATING PROFIT AND PROFIT BEFORE INTEREST AND TAXATION		18,055	5,006
Interest receivable and similar income	5	356	-
Interest payable and similar charges	6	(3,231)	(752)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	15,180	4,254
Tax on profit on ordinary activities	8	(453)	916
PROFIT FOR THE FINANCIAL YEAR		14,727	5,170

The notes form part of these financial statements

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
PROFIT FOR THE YEAR		14,727	5,170
OTHER COMPREHENSIVE INCOME			
Remeasurement of defined benefit asset		477	-
Deferred taxation on defined benefit pension scheme		(94)	-
Impact of change in tax rates		92	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		15,202	5,170

The notes form part of these financial statements

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Intangible assets	9		89,448		-
Tangible assets	10		44,855		10,644
Investments	11		-		-
Debtors: amounts falling due after more than one year	13		22,980		22,680
			157,283		33,324
PENSION ASSET	22		5,447		-
CURRENT ASSETS					
Stocks	12	18,827		5,863	
Debtors: amounts falling due within one year	13	59,034		11,065	
Cash at bank and in hand		51,961		280	
		129,822		17,208	
CREDITORS					
Amounts falling due within one year	14	(102,069)		(11,102)	
NET CURRENT ASSETS			27,753		6,106
TOTAL ASSETS LESS CURRENT LIABILITIES			190,483		39,430
CREDITORS					
Amounts falling due after more than one year	15		(156,971)		(22,457)
PROVISIONS FOR LIABILITIES	18		(1,793)		(456)
NET ASSETS			31,719		16,517
CAPITAL AND RESERVES					
Called up share capital	19		-		-
Retained earnings	20		31,719		16,517
SHAREHOLDERS' FUNDS			31,719		16,517

The financial statements were approved by the Board of Directors on 29 September 2016 and were signed on its behalf by:

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K R Bostock - Director

The notes form part of these financial statements

continued...

COVERIS FLEXIBLES (GAINSBOROUGH) UK LIMITED (REGISTERED NUMBER: 04786458)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £'000	Retained earnings £'000	Shareholders' funds £'000
Balance at 1 January 2014	-	11,347	11,347
Profit for the financial year	-	5,170	5,170
Other comprehensive income	-	-	-
Balance at 31 December 2014	-	16,517	16,517
Profit for the financial year	-	14,727	14,727
Other comprehensive income	-	475	475
Balance at 31 December 2015	-	31,719	31,719

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Coveris Flexibles (Gainsborough) UK Limited (the "company") manufactures and sells flexible packaging to predominantly the Food and Consumer markets. The company is a company limited by shares and is incorporated in England. The address of its registered office is Holland Place, Wardentree Park, Pinchbeck, Spalding, Lincolnshire, PE11 3ZN.

Basis of preparation and transition to FRS 101

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The transition to Financial Reporting Standard 101 has been made in accordance with International Financial Reporting Standard 1 "First-time adoption of International Financial Reporting Standards". The transition has not resulted in any amendments to the profit for the financial year ended 31 December 2015 or the statement of financial position as at 31 December 2014 or 31 December 2013, as previously reported.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Prior year restatement

In reviewing the financial statements for compliance with FRS 101 the directors have become aware that distribution costs were previously reported within administrative expenses. Upon reflection, these are more accurately presented within cost of sales as they directly relate to the cost of making a sale to customers. Therefore the prior year distribution costs of £1,201,000 have been reclassified to cost of sales from administrative expenses. This has no impact on the previously reported net assets as at 31 December 2014 or the profit for the financial year ended 31 December 2014.

continued...

1. **ACCOUNTING POLICIES (CONTINUED)**

Goodwill
Goodwill arises on the acquisition of subsidiaries and is the difference between the fair value of consideration paid and the net assets acquired. Goodwill is not amortised but reviewed annually for impairment annually. The carrying value of the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Goodwill is not amortised.

Sale of businesses between wholly owned members of the Coveris group
When the trading assets of an entity are transferred between companies wholly under common control the transaction is recorded at the fair value of the consideration paid. The assets acquired are initially recorded at the carrying value prior to the sale taking place, under the predecessor accounting policy. Any excess between the amounts paid and the net assets acquired is accounted for as goodwill. If the transfer is between a direct subsidiary and a parent company then the investment carrying value in the parent entity is transferred to goodwill where the net assets of the subsidiary are no longer supportable as this is in effect part of the cost of the acquisition for the parent entity.

Trade and other debtors
Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

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

Finance and operating leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Costs in respect of operating leases are charged on a straight line basis over the lease period to the next rent review. Leasing arrangements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright.

Consolidation
The company is a wholly owned subsidiary of Coveris Labels Holdings UK Limited and of its ultimate parent undertaking, a private equity investment fund advised by an affiliate of Sun Capital Partners Inc. It is included in the consolidated financial statements of Coveris Holdings SA which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Turnover
Turnover represents sales to external customers and is measured at fair value of the consideration received excluding discounts, rebates, VAT and other sales taxes or duty. Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on receipt of the goods at customer's premises. Turnover is stated after deducting all related agreements, for example retrospective adjustments to revenue. At the balance sheet date the amounts expected to be reclaimed under agreements with customers are accrued for and deducted from revenue. In line with GSCOP guidance these amounts are held in accruals to the shorter of settlement with the customer or two full accounting periods since the accrual was created.

continued...

1. **ACCOUNTING POLICIES (CONTINUED)**

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% to 10% on cost
Leasehold property	- Over the period of the lease
Plant and machinery	- 6.67% to 50% on cost
Fixtures and fittings	- 15% to 33% on cost
Motor vehicles	- 33% on cost

Land is not depreciated. The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required they are made retrospectively.

Financial instruments
Financial assets
Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and short-term deposits, trade and other receivables and loan notes.
Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

continued...

1. **ACCOUNTING POLICIES (CONTINUED)**

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Interest bearing loans and borrowings
Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities
A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Raw materials, consumables and goods for resale are determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Pensions
The company operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

The company also operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

continued...

1. **ACCOUNTING POLICIES (CONTINUED)**

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Judgement and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Impairment of assets
The future recoverability of assets (being Goodwill, debtors and tangible fixed assets) requires the use of judgement as it requires management to make estimates and judgements in relation to future cash flows. These estimates could be impacted by events and circumstances outside of the control of management, for example a deterioration in the financial health of a major customer or significant deterioration in the UK economy as a whole. In making their assessment of recoverability management have utilised the latest expected financial performance budgets for the company.

continued...

1. **ACCOUNTING POLICIES (CONTINUED)**

Judgement and key sources of estimation uncertainty (continued)

Pension

The accounting for the pension scheme requires a significant amount of judgement, in relation to both the actuarial assumptions and also whether the resulting net asset should be recognised under FRS101. A small change in actuarial assumptions or a change to the requirements of IFRS could result in a change to the net asset recorded.

Useful economic lives of tangible fixed assets and residual values

The tangible fixed assets are depreciated over their useful economic lives to their expected residual value. A change in technology or other such events could have an impact on both. Each year the assets are reviewed and their useful economic lives and residual values are adjusted, as and when required.

Revenue recognition

Revenue is recognised based upon agreed terms with customers and accepted delivery of goods. However, as is common place within the UK Food Industry, agreements are often entered into with customers which retrospectively adjust the invoiced price. These adjustments are often based upon the achievement of variable criteria, for example sales growth year on year or the achievement of sales volume targets. The period of these agreements is often not coterminous with the company's financial year and therefore estimates are required of the likely amounts to be claimed by customers based upon sales made during the year. The settlement of these liabilities could be at differing values to those predicted at the year end for a number of reasons, for example post year end under/over performance in sales forecasts or negotiations made subsequent to the year end.

2. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company. An analysis of turnover by geographical market is given below:

	2015	2014
	£'000	£'000
United Kingdom	96,530	45,346
Europe	4,756	802
Other countries	354	31
	101,640	46,179

3. **EMPLOYEES AND DIRECTORS**

	2015	2014
	£'000	£'000
Wages and salaries	18,668	6,887
Social security costs	1,075	733
Other pension costs	495	166
	20,238	7,786

continued...

3. **EMPLOYEES AND DIRECTORS - continued**

The average monthly number of employees during the year was as follows:

	2015	2014
Directors	4	4
Production	806	165
Administration	240	51
	1,050	220

The Directors were remunerated by other group companies and therefore the disclosure of their emoluments is included within the disclosures made for those companies.

4. **EXCEPTIONAL ITEMS**

During 2015, the Coveris UK Food and Consumer group performed a business simplification resulting in the trade and assets of a number of group companies being transferred into Coveris Flexibles (Gainsborough) UK Limited. As part of these transfers, intercompany loans of £11,258,000 (2014: £Nil) from other group companies were waived resulting in income for the company. Also included within other operating income is a management recharge of £3,000,000 (£2014:£nil).

5. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2015 £'000	2014 £'000
Intercompany interest	186	-
Net interest income on pension scheme	170	-
	356	-

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £'000	2014 £'000
Overdraft and bank loan interest	717	122
Intercompany interest	2,514	630
	3,231	752

7. **PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	2015 £'000	2014 £'000
Cost of inventories recognised as expense	56,023	23,171
Depreciation - owned assets	4,109	2,226
Auditors' remuneration	103	30
Foreign exchange differences	61	19
Operating lease rentals - land and buildings	830	731
Operating lease rentals - other	519	301

continued...

8. TAXATION

Analysis of tax income

	2015	2014
	£'000	£'000
Current tax:		
Corporation tax	(149)	186
Adjustment in respect of prior years	530	(995)
Total current tax	381	(809)
Deferred tax:		
Deferred tax charge for the year	107	(112)
Impact of tax rate changes	(92)	-
Adjustment in respect of prior years	57	5
Total deferred tax	72	(107)
Total tax charge / (income) in income statement	453	(916)

Factors affecting the tax expense

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£'000	£'000
Profit on ordinary activities before income tax	15,180	4,254
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	3,074	915
Effects of:		
(Income) not taxable / expenses not deductible for tax purposes	(2,126)	236
R&D tax credit	(70)	(97)
Adjustments to tax charge in respect of previous periods	587	(990)
Impact of change in tax rates	(92)	-
Group relief received for nil consideration	(920)	(980)
Tax charge / (income)	453	(916)

Factors affecting the future tax charges:

On 2 July 2013 changes to the UK Corporation tax rates were substantively enacted reducing the corporation tax rate in the UK to 20% from 1 April 2015. Further reductions to reduce the corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020 were substantively enacted on 18 November 2015. Any deferred tax expected to reverse in the year to 31 December 2015 has been re-measured using the rates substantively enacted at 31 December 2015. A further reduction was included in the 16 March 2016 budget to reduce the corporation tax rate to 17%. However, this rate has not been substantially enacted and has therefore not been used to calculate tax balances within these financial statements. The impact of this change is expected to benefit the reported financial position of the company by c£100,000 as the deferred tax liability currently recorded would reduce due to the tax rate decreasing.

continued...

9. INTANGIBLE FIXED ASSETS

	Goodwill £'000
COST	
At 1 January 2015	-
Additions (note 21)	89,448
At 31 December 2015	89,448
NET BOOK VALUE	
At 31 December 2015	89,448

10. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST					
At 1 January 2015	142	18,835	3,079	-	22,056
Additions	312	5,026	1,090	-	6,428
Disposals	-	(35)	-	-	(35)
Acquired (note 21)	9,818	48,779	1,630	22	60,249
At 31 December 2015	10,272	72,605	5,799	22	88,698
DEPRECIATION					
At 1 January 2015	41	9,208	2,163	-	11,412
Charge for year	122	3,538	444	5	4,109
Eliminated on disposal	-	(31)	-	-	(31)
Acquired (note 21)	1,199	25,990	1,159	5	28,353
At 31 December 2015	1,362	38,705	3,766	10	43,843
NET BOOK VALUE					
At 31 December 2015	8,910	33,900	2,033	12	44,855
At 31 December 2014	101	9,627	916	-	10,644

Included in cost of land and buildings is freehold land of £4,660,000 (2014: £Nil) which is not depreciated.

As the assets transferred under the group reconstruction were transferred using predecessor values the original asset cost and accumulated depreciation have been included in the above summary table.

continued...

11. INVESTMENTS

	Shares in group undertakings £'000
COST	
Acquired (Note 21) Investments	23,799
Transferred to goodwill on hive up	(23,799)
At 31 December 2015	-
NET BOOK VALUE	
At 31 December 2015	-

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

Undertaking	Principal activity
Coveris Bravo Flexibles Limited	Dormant
Learoyd Packaging Limited	Dormant
Merlin Pension Trustees Limited	Dormant

12. STOCKS

	2015 £'000	2014 £'000
Raw materials	8,489	2,458
Work-in-progress	1,528	-
Finished goods	8,810	3,405
	18,827	5,863

There is no material difference between the replacement cost of stocks and the amounts stated above.

Inventories are stated after provisions for impairment of £1,488,075 (2014: £729,516)

continued...

13. DEBTORS

	2015	2014
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	35,170	10,195
Amounts owed by group undertakings	19,139	-
Other debtors	1,492	25
Corporation tax	1,898	506
Prepayments	1,335	339
	59,034	11,065
Amounts falling due after more than one year:		
Amounts owed by group undertakings	22,980	22,680
Aggregate amounts	82,014	33,745

Amounts owed by group undertakings which are repayable within one year are unsecured, interest free and repayable on demand.

Trade debtors are stated after making provisions for impairment of £435,827 (2014: £239,043).

Amounts owed by group undertakings due after more than one year relate to principal loan balances with entities located outside of the UK and totalled £20.7m (2014: £Nil) and attracted interest of £2.3m (2014: £Nil) at a rate of 6.5%. Amounts owed by group undertakings due after more than one year in the prior year were settled in January 2015 as part of the group restructuring.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Bank loans and overdrafts (see note 16)	61,225	3,830
Hire purchase contracts (see note 16)	541	-
Trade creditors	27,391	3,860
Amounts owed to group undertakings	1,329	-
Other taxes and social security	5,371	2,002
Other creditors	578	180
Accruals and deferred income	5,634	1,230
	102,069	11,102

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The bank overdrafts are secured by a fixed and floating charge over certain of the company assets and accrues interest at variable rates.

Amounts due under hire purchase agreements are secured against the assets on which the finance was granted.

 continued...

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£'000	£'000
Hire purchase contracts (see note 16)	701	-
Amounts owed to group undertakings	156,270	22,457
	156,971	22,457

Amounts owed to group undertakings are unsecured and accrue interest at 6.5%.

Amounts due under hire purchase agreements are secured against the assets on which the finance was granted.

16. FINANCIAL LIABILITIES - BORROWINGS

	2015	2014
	£'000	£'000
Current:		
Bank loans and overdrafts	61,225	3,830
Hire purchase (see note 17)	541	-
	61,766	3,830
Non-current:		
Hire purchase (see note 17)	701	-

Terms and debt repayment schedule

	1 year or less	1-2 years	Totals
	£'000	£'000	£'000
Bank loans and overdrafts	61,225	-	61,225
Hire purchase	541	701	1,242
	61,766	701	62,467

 continued...

17. HIRE PURCHASE AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2015 £'000	2014 £'000
Net obligations repayable:		
Within one year	541	-
Between one and five years	701	-
	1,242	-

18. PROVISIONS FOR LIABILITIES

	2015 £'000	2014 £'000
Deferred tax		
Accelerated capital allowances	813	510
Retirement benefit asset	980	-
Other timing differences	-	(54)
	1,793	456

	Deferred tax £'000
Balance at 1 January 2015	456
Acquired with group reconstruction (note 21)	1,263
Charge to the statement of comprehensive income during the year	2
Charge to Income Statement during the year	72
Balance at 31 December 2015	1,793

Deferred tax has been provided at rates between 18% and 20% (2014: 20%)

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
1	Ordinary	£1	1	1

20. RESERVES

	Retained earnings £'000
At 1 January 2015	16,517
Total comprehensive income	15,202
At 31 December 2015	31,719

 continued...

21. BUSINESS COMBINATIONS

On 30 January 2015, the company acquired 100% of the trade and assets of Learoyd Packaging Limited. On 16 September 2015, the company acquired 100% of the trade and assets of, Coveris Flexibles (Louth) UK Limited, Coveris Flexibles (Hartlepool) UK Limited, Coveris Flexibles (Winsford) UK Limited, Coveris UK Bravo Group Limited, Coveris Bravo Flexibles Limited and Bravo Bidco Limited. The amounts paid and assets acquired were as follows:

	£'000
Consideration paid on acquisition date	
Cash - Learoyd Packaging Limited	7,711
Cash - Coveris Flexibles (Louth) UK Limited	42,524
Cash - Coveris Flexibles (Hartlepool) UK Limited	11,211
Cash - Coveris Flexibles (Winsford) UK Limited	33,213
Coveris UK Bravo Group Limited	-
Coveris Bravo Flexibles Limited	-
Bravo Bidco Limited	-
Total consideration	94,659

	Learoyd Packaging Limited	Coveris Flexibles (Louth) UK Limited	Coveris Flexibles (Hartlepool) UK Limited	Coveris Flexibles (Winsford) UK Limited
	£'000	£'000	£'000	£'000
Cash and cash equivalents	130	14,369	9,311	19,374
Property, plant and equipment	5,348	10,212	1,726	14,610
Investments	-	-	-	-
Inventories	2,505	6,147	1,464	6,167
Trade and other receivables	4,477	15,485	8,920	29,489
Trade and other payables	(2,979)	(20,886)	(8,925)	(33,520)
Pension asset	-	4,660	-	-
Borrowings	(1,756)	(6,516)	(1,361)	(9,494)
Deferred tax liabilities	(282)	(866)	76	(224)
Total identifiable net assets	7,443	22,605	11,211	26,402
Goodwill	268	19,919	-	6,811
Total	7,711	42,524	11,211	33,213

continued...

21. BUSINESS COMBINATIONS - continued

	Coveris UK Bravo Group Limited £'000	Coveris Bravo Flexibles Limited £'000	Bravo Bidco Limited £'000	Total £'000
Cash and cash equivalents	-	1,049	-	44,233
Property, plant and equipment	-	-	-	31,896
Investments	23,799	-	-	23,799
Inventories	-	-	-	16,283
Trade and other receivables	15,961	-	-	74,332
Trade and other payables	(11,900)	(18,120)	(8,060)	(104,390)
Pension asset	-	-	-	4,660
Borrowings	(41,413)	-	-	(60,540)
Deferred tax liabilities	33	-	-	(1,263)
Total identifiable net assets	(13,520)	(17,071)	(8,060)	29,010
Goodwill	13,520	17,071	8,060	65,649
Total	-	-	-	94,659

As the trade and assets of the companies were transferred into the company the investments carrying value of £23,799,000 was transferred to goodwill making the total goodwill recognised on the group restructure £89,448,000.

The revenue and contributed profit that each of these acquired trades contributed to the company's trade for the year can is summarised below. Coveris Bravo Flexibles Limited and Bravo Bidco Limited were dormant holding companies and therefore had no activities in the year.

	Learoyd Packaging Limited £'000	Coveris Flexibles (Louth) UK Limited £'000	Coveris Flexibles (Hartlepool) UK Limited £'000	Coveris Flexibles (Winsford) UK Limited £'000	Coveris UK Bravo Group Limited £'000	Total £'000
Contribution to turnover	20,665	10,538	4,163	14,598	-	49,964
Operating profit/(loss) contributed	281	(2,478)	257	219	(9)	(1,730)
Profit/(loss) contributed	349	(2,201)	289	452	(281)	(1,392)

continued...

22. EMPLOYEE BENEFIT OBLIGATIONS

Pension commitments

The company has a defined benefit pension scheme, which provides pension benefits to certain employees based on final pensionable pay (the 'Scheme'). The assets are held separately from those of the company, being invested with insurance companies.

From 2014 the Auto-enrolment legislation requires the company to pay into employees' pensions at a rate of 1% in 2014 rising to 3% in 2018, unless the employee chooses to opt out of the scheme.

As at 1 November 1998, the existing Scheme members were transferred into the group defined contribution scheme. The scheme is closed to future benefit accrual and there are only deferred pensioners and current pensioners. Contributions of £226,000 were paid to the scheme in the period under consideration. This scheme will continue as a closed fund.

An actuarial valuation of the scheme by an independent qualified actuary was last carried out as at 31 March 2014 and this has been updated to reflect the fair value of the Scheme assets at 31 December 2015 and market conditions at that date.

The assets in the scheme and the expected rate of return were:

	31 December 2015 %	31 December 2015 £'000
Equities	5.40	3,997
Bonds	2.40	6,494
Gilts	2.70	377
Cash	0.00	248
Target returns	**5.40**	**9,146**
Total market value of assets		20,262
Present value of liabilities		(14,815)
Surplus		5,447

continued...

22. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

Analysis of amount recognised in the income statement:

	31 December 2015 £'000	31 December 2014 £'000
Administrative expenses	(86)	-
Net interest income on pension	170	-
Total amounts recognised in the income statement	84	-

Analysis of amount recognised in statement of comprehensive income:

	31 December 2015 £'000	31 December 2014 £'000
Actual return less expected return on pension scheme assets	(356)	-
Changes in assumptions underlying the present value of the scheme liabilities	833	-
Total amounts recognised in statement of comprehensive income	477	-

Movements in the fair value of scheme assets were as follows:

Acquired	20,206
Interest on assets	722
Company contributions	226
Actuarial gains and losses	(356)
Administrative costs	(86)
Benefits paid	(450)
At end of year	20,262

Movements in the present value of defined benefit obligations were as follows:

Acquired	15,546
Interest on liabilities	552
Benefits paid	(450)
Actuarial gains and losses	(833)
At end of year	14,815
Surplus in scheme at end of the year	5,447

continued...

22. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

The major assumptions used by the actuary were:

	31 December 2015 %
Inflation assumption (RPI)	3.30
Inflation assumption (CPI)	2.30
Discount rate	4.00
Rate of increase in pensions in payment (where appropriate)	3.20

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics, which translate into an average life expectancy in years for a pensioner retiring at age 65:

	31 December 2015
Retiring at the end of the reporting period	
- Male	22
- Female	24
Retiring 20 years after the end of the reporting period	
- Male	23
- Female	26

History of experience gains and losses

	31 December 2015
Difference between the expected and actual return on scheme assets:	
Amount (£'000)	356
Percentage of scheme assets	2%
Experience gains and losses on scheme liabilities:	
Amount	833
Percentage of the present value of the scheme liabilities	4.5%

Defined contribution scheme

The company operates a number of defined contributions pension schemes. Contributions payable are charged in the Income statement. At 31 December 2015 £95,815 (2014: £29,764) was outstanding and included within accruals.

continued...

23. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Coveris Labels Holdings UK Limited.

The ultimate parent undertaking and controlling party of the company is a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc.

The largest and smallest company to consolidate the results and financial position of the company is that headed by Coveris Holdings SA. These consolidated financial statements are available from www.coveris.com.

24. CONTINGENT LIABILITIES

As part of the debt obtained by Coveris Holdings SA, for certain elements of the debt, each subsidiary undertaking of Coveris Holdings SA was included as a guarantor of the debt. The company was a guarantor under three separate facilities as of 31 December 2015. Details of the group financing arrangements are included within the consolidated financial statements of Covers Holdings SA which are publically available at www.coveris.com. In the opinion of the directors no liability is expected to arise from this obligation.

25. CAPITAL COMMITMENTS

	2015 £'000	2014 £'000
Contracted but not provided for in the financial statements	2,437	-

26. OPERATING LEASE COMMITMENTS

The company had minimum lease payments for operating leases as follows:

	Land and buildings	
	2015 £'000	2014 £'000
Net obligations repayable:		
Within one year	784	731
Between one and five years	2,925	2,977
After more than five years	559	1,290
	4,268	4,998

	Other	
	2015 £'000	2014 £'000
Net obligations repayable:		
Within one year	641	226
Between one and five years	914	788
After more than five years	2	14
	1,557	1,028