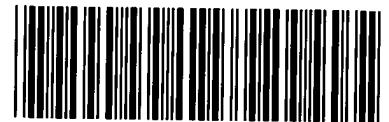


Registered number: SC293145

EAGLE ENVELOPES LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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COMPANIES HOUSE

PM+M Solutions for Business LLP
Chartered Accountants
Statutory Auditors
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

EAGLE ENVELOPES LIMITED
COMPANY INFORMATION

DIRECTORS	I M Filo T Schwarz
REGISTERED NUMBER	SC293145
REGISTERED OFFICE	Unit 1 Block 7 Whiteside Industrial Estate Bathgate West Lothian EH48 2RX
INDEPENDENT AUDITORS	PM+M Solutions for Business LLP Chartered Accountants & Statutory Auditors Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
BANKERS	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB
SOLICITORS	MacRoberts Excel House 30 Semple Street Edinburgh EH1 1YN

EAGLE ENVELOPES LIMITED
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EAGLE ENVELOPES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

BUSINESS REVIEW

The principal activities of the company are the sale of envelopes, either from stock or Bespoke items made to specific customer requirements with the option for these envelopes to be overprinted.

During the year the business invested in upgrading its overprint production facilities in Walsall. This part of the business continues to perform well in difficult market conditions and supports UK group performance with its high quality product and on time delivery record.

The business has benefitted from trading with other group related companies and also from the ability to buy certain product in Euro denominated currency. The costs of retaining the Bathgate factory will continue to have a negative impact on overall performance and progress has been made in bringing the building into a suitable condition for future sale.

The stock holding requirements of the business have been reviewed during the year in order to more appropriately meet the demands of customers.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business is the cost of paper. Any increase in paper prices, whether raw material or exchange rate driven, will be difficult to pass on to customers in a competitive market and therefore any increases would have to be absorbed via reduced margins. However, as part of the largest envelope manufacturing group in Europe, we hope the group buying power will mitigate against any significant increases.

FINANCIAL KEY PERFORMANCE INDICATORS

Sales Performance

Sales in the year to December 2015 reduced by £327k in comparison to 2014. Market conditions were tough in the year with competition fierce and whilst the established customer base has remained largely intact growing the business proved difficult.

Margin Performance

Gross Profit performance dropped in 2015 to 12.4% from 13.0% in 2014. The reduction is mainly due to the fixed cost nature of running the premises in Walsall.

Stock Days

The average number of days to turn stock in 2015 was 40 (2014 – 61). Significant improvements to the management of stock have been implemented which include working closely with significant suppliers to reduce delivery lead times.

Debtor Days

The average number of days to receive payment from debtors was 94 in 2015 (2014 – 85).

This report was approved by the board on 14 June 2016 and signed on its behalf.


T. Schwarz
Director

EAGLE ENVELOPES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £278,410 (2014 - loss £320,594).

No dividends were recommended or paid in the period.

DIRECTORS

The directors who served during the year were:

I M Filo
T Schwarz

DISCLOSURE 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 relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS


There have been no significant events affecting the Company since the year end.

EAGLE ENVELOPES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

AUDITORS

The auditors, PM+M Solutions for Business LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 June 2016 and signed on its behalf.



F Schwarz
Director

EAGLE ENVELOPES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAGLE ENVELOPES LIMITED

We have audited the financial statements of Eagle Envelopes Limited for the year ended 31 December 2015, set out on pages 8 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' 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.

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 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

EAGLE ENVELOPES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAGLE ENVELOPES 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.



Christopher Johnson (Senior Statutory Auditor)

for and on behalf of

PM+M Solutions for Business LLP

Chartered Accountants
Statutory Auditors

Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

30 June 2016

EAGLE ENVELOPES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover		6,886,711	7,213,992
Cost of sales		<u>(6,033,899)</u>	<u>(6,273,634)</u>
Gross profit		852,812	940,358
Distribution costs		<u>(362,996)</u>	<u>(362,644)</u>
Administrative expenses		<u>(26,832)</u>	<u>(273,832)</u>
Operating profit		462,984	303,882
Interest receivable and similar income	8	51,556	66,100
Interest payable and expenses	9	<u>(236,130)</u>	<u>(690,576)</u>
Profit/(loss) before tax		278,410	(320,594)
Profit/(loss) for the year		278,410	(320,594)

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.


The notes on pages 11 to 23 form part of these financial statements.

EAGLE ENVELOPES LIMITED
REGISTERED NUMBER: SC293145

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	11	511,469	557,158
		<u>511,469</u>	<u>557,158</u>
Current assets			
Stocks	12	585,440	934,563
Debtors: amounts falling due within one year	13	2,583,976	2,318,563
Cash at bank and in hand	14	110,186	183,122
		<u>3,279,602</u>	<u>3,436,248</u>
Creditors: amounts falling due within one year	15	(6,171,167)	(6,838,424)
Net current assets		<u>(2,891,565)</u>	<u>(3,402,176)</u>
Total assets less current liabilities		<u>(2,380,096)</u>	<u>(2,845,018)</u>
Creditors: amounts falling due after more than one year	16	(6,256,495)	(7,754,076)
Net assets		<u><u>(8,636,591)</u></u>	<u><u>(10,599,094)</u></u>
Capital and reserves			
Called up share capital	18	4,380,168	4,380,168
Other reserves		1,495,239	-
Profit and loss account		<u><u>(14,511,998)</u></u>	<u><u>(14,979,262)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 June 2016.



T Schwarz
 Director

The notes on pages 11 to 23 form part of these financial statements.

EAGLE ENVELOPES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2015	4,380,168	-	(14,979,262)	(10,599,094)
Comprehensive income for the year				
Profit for the year	-	-	278,410	278,410
Total comprehensive income for the year	-	-	278,410	278,410
Contributions by and distributions to owners				
Transfer to/from profit and loss account	-	(188,854)	188,854	-
Capital contribution movement	-	1,684,093	-	1,684,093
Total transactions with owners	-	1,495,239	188,854	1,684,093
At 31 December 2015	4,380,168	1,495,239	(14,511,998)	(8,636,591)

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	4,380,168	(14,658,668)	(10,278,500)
Comprehensive income for the year			
Loss for the year	-	(320,594)	(320,594)
Total comprehensive income for the year	-	(320,594)	(320,594)
Total transactions with owners	-	-	-
At 31 December 2014	4,380,168	(14,979,262)	(10,599,094)

The notes on pages 11 to 23 form part of these financial statements.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 23).

The following principal accounting policies have been applied:

1.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

This information is included in the consolidated financial statements of Mayer Kuvert UK Limited as at 31st December 2015 and these financial statements may be obtained from Companies House.

1.3 GOING CONCERN

The company has incurred significant net liabilities as at 31 December 2015. The directors of the company have received assurances from the board of the parent company, Mayer Kuvert-network GmbH, that they will continue to support the company for the foreseeable future. At the date of approval of these financial statements the directors have no reason to believe this support will not continue and accordingly, the financial statements have been prepared on a going concern basis.

1.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Freehold property	-	4% Straight Line
Plant and machinery	-	12.5% to 33% Straight Line
Assets in the course of construction	-	depreciation is charged when the asset is brought into use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

1.6 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

1.13 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.14 TAXATION

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described above, management has made some judgments that have an effect on the amounts recognised in the financial statements. These also include assumptions concerning the future, and other sources of estimation uncertainty at the statement of financial position date, that have a risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts

Management provide for doubtful debts based on the perceived risk profile and payment history of the debtor.

Deferred tax

Management provide for deferred tax on temporary differences between the accounting and tax values of assets and liabilities at the tax rates expected to apply to the different categories of assets and liabilities at the time and in the manner in which the carrying values of the underlying items are expected to be recovered or settled.

Property plant and equipment

Management provide for depreciation on the cost of property plant and equipment over the assets' useful lives after taking their residual values into account.

Management estimate the residual values as the amount currently obtainable from disposal of the asset, after deducting the estimated disposal costs, if the asset were already of the age and in the condition expected at the end of its useful life.

Management estimate the useful lives of assets based on past experience with similar assets.

Intangible assets

Management provide for amortisation on the cost of goodwill over the assets' useful lives.

Management estimate the useful lives of assets based on past experience.

Stock

Management provide for stock items based on the expected net realisable value of the items and history of the items.

Management estimate the net realisable value based on past experience.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	6,345,189	6,804,409
Rest of Europe	541,522	409,583
	<u>6,886,711</u>	<u>7,213,992</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets	106,617	169,838
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	10,500	10,500
Exchange differences	(532,360)	(656,629)
Defined contribution pension cost	17,024	18,223
	<u>17,024</u>	<u>18,223</u>

5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	10,500	10,500
Fees payable to the Company's auditor in relation to other services	13,993	8,509
	<u>24,493</u>	<u>19,009</u>

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	471,763	586,137
Social security costs	37,212	47,211
Cost of defined contribution scheme	17,024	18,223
	<u>525,999</u>	<u>651,571</u>

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

	2015 No.	2014 No.
Employees	<u>26</u>	<u>26</u>

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	-	40,438
Company contributions to defined contribution pension schemes	-	2,520
	<u>-</u>	<u>42,958</u>

During the year retirement benefits were accruing to no directors (2014 - 1) in respect of defined contribution pension schemes.

8. INTEREST RECEIVABLE

	2015 £	2014 £
Other interest receivable	51,556	66,100
	<u>51,556</u>	<u>66,100</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest payable	12,620	18,042
Other interest payable	188,854	-
Loans from group undertakings	34,656	672,534
	<u>236,130</u>	<u>690,576</u>

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	278,410	(320,594)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	56,378	(68,896)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	38,310	-
Capital allowances for year in excess of depreciation	3,860	(32,474)
Utilisation of tax losses	-	50,685
Deferred tax not recognised	(354,360)	-
Movement on opening and closing deferred tax rate	266,250	-
Group relief	(10,438)	50,685
Total tax charge for the year	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following due consideration of the availability of tax losses in relation to future anticipated taxable profits, the deferred tax asset has not been recognised. The total deferred tax asset, including decelerated capital allowances is £2.4m. The deferred tax asset will be fully recoverable should there be appropriate future taxable profits.

EAGLE ENVELOPES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Assets in the course of construction £	Total £
Cost or valuation				
At 1 January 2015	446,345	3,415,118	2,710	3,864,173
Additions	-	101,249	-	101,249
Disposals	-	(238,238)	-	(238,238)
At 31 December 2015	446,345	3,278,129	2,710	3,727,184
Depreciation				
At 1 January 2015	163,835	3,143,180	-	3,307,015
Charge owned for the period	19,064	87,553	-	106,617
Disposals	-	(197,917)	-	(197,917)
At 31 December 2015	182,899	3,032,816	-	3,215,715
At 31 December 2015	263,446	245,313	2,710	511,469
<i>At 31 December 2014</i>	<i>282,510</i>	<i>271,938</i>	<i>2,710</i>	<i>557,158</i>

The net book value of land and building may be further analysed as follows:

	2015 £	2014 £
Freehold	263,446	282,510
	263,446	282,510

12. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	585,440	934,563
	585,440	934,563

Stock recognised in cost of sales during the year as an expense was £5,270,669 (2014 - £5,514,554).

There are no material impairment losses recognised within cost of sales which relate to slow or obsolete stock.

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13. DEBTORS

	2015 £	2014 £
Trade debtors	1,055,825	988,471
Amounts owed by group undertakings	1,449,118	1,261,370
Other debtors	18,984	6,239
Prepayments and accrued income	60,049	62,483
	<u>2,583,976</u>	<u>2,318,563</u>

The trade debtors are all subject to an invoice discounting facility in both the current and preceding year.

14. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank and in hand	110,186	183,122
	<u>110,186</u>	<u>183,122</u>

15. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	244,742	96,905
Amounts owed to group undertakings	5,285,240	5,669,165
Taxation and social security	107,189	153,809
Proceeds from invoice discounting facility	244,723	368,191
Other creditors	15,968	2,356
Accruals and deferred income	273,305	547,998
	<u>6,171,167</u>	<u>6,838,424</u>

The proceeds from the invoice discounting facility are secured by a fixed charge on trade debtors and a floating charge on all other assets of the company. The balance is repayable on demand.

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16. CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	6,256,495	7,754,076
	<u>6,256,495</u>	<u>7,754,076</u>

The long term loan represents a loan from the parent company Mayer-Kuvert-network GmbH. The loan amount is made up of several unsecured loans which bear interest at 0.1%. This agreement was amended during the year creating a capital contribution within other reserves amounting to £1,495,239.

17. FINANCIAL INSTRUMENTS

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,523,927	2,256,080
	<u>2,523,927</u>	<u>2,256,080</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(12,071,802)	(14,068,144)
	<u>(12,071,802)</u>	<u>(14,068,144)</u>

Financial assets measured at amortised cost are detailed in note 13 excluding prepayments and accrued income.

Financial Liabilities measured at amortised cost are detailed in notes 15 and 16 excluding taxation.

18. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
4,380,168 Ordinary shares of £1 each	4,380,168	4,380,168
	<u>4,380,168</u>	<u>4,380,168</u>

19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,024 (2014 - £18,223). At the year end an amount of £3,871 (2014 - nil) was due to be paid to the fund.

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20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	As restated 2014 £
Not later than 1 year	163,154	160,803
Later than 1 year and not later than 5 years	643,498	634,380
Later than 5 years	436,136	594,731
Total	1,242,788	1,389,914

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in the Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

22. CONTROLLING PARTY

The immediate parent company is Mayer-Kuvert (UK) Holdings Limited, a company registered in Scotland. Mayer-Kuvert (UK) Holdings Limited prepares group consolidated accounts and copies can be obtained from Unit 1 Block 7, Whiteside Industrial Estate, Bathgate, West Lothian, EH48 2RX.

At the year end date the Company's ultimate joint controlling parties are Mayer-Kuvert-network GmbH, incorporated and registered in Germany and Eco Invest s a, incorporated and registered in the Republic of Slovakia. Copies of the consolidated financial statements of Mayer-Kuvert-network GmbH can be obtained from Mayer-Kuvert-network GmbH, Wannackerstrasse 65, 74078 Heilbronn Germany. The financial statements of Eco Invest s a can be obtained from Obchodna ulica 2 6, 811 08 Bratislava, Republic of Slovakia.

23. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.