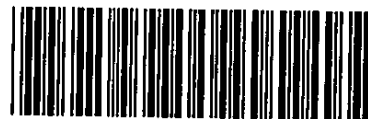


Registered number: SC293145

**EAGLE ENVELOPES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

WEDNESDAY



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25/06/2014

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COMPANIES HOUSE

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

**EAGLE ENVELOPES LIMITED**  
**COMPANY INFORMATION**

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<b>DIRECTORS</b>	E M Bartl (resigned 12 February 2014) I M Filo J C Gutteridge T Schwarz (appointed 10 April 2014)
<b>COMPANY SECRETARY</b>	J C Gutteridge
<b>REGISTERED NUMBER</b>	SC293145
<b>REGISTERED OFFICE</b>	Unit 1 Block 7 Whiteside Industrial Estate Bathgate West Lothian EH48 2RX
<b>TRADING ADDRESS</b>	
<b>INDEPENDENT AUDITORS</b>	PM+M Solutions for Business LLP Chartered Accountants & Registered Auditors Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
<b>BANKERS</b>	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB
<b>SOLICITORS</b>	MacRoberts Excel House 30 Semple Street Edinburgh EH1 1YN

**EAGLE ENVELOPES LIMITED****CONTENTS**

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Directors' report	5 - 6
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Profit and loss account	8
Balance sheet	9
Notes to the abbreviated accounts	10 - 16

**EAGLE ENVELOPES LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**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.

The year started well but with the loss of some key customers in the second quarter of the year this led to a continued decline in the turnover of the business with the summer months being extremely difficult. Further pressure on margins was also caused by paper price increases in the second quarter. However, long term plans to win back business from key customers started to bear fruit in the latter part of the year and has continued into the New Year.

The business is limited in its ability to pursue major contracts due to the lack of a production facility in the company, however, we are focusing on growing our business with existing customers and looking for opportunities where the margin is more important than the turnover.

Our overprint business continues to perform well in difficult market conditions and supports UK group performance with its high quality product and on time delivery record.

With continued access to the competitive pricing available at group companies it is expected that the trading profitability of the company can be maintained but the costs of retaining the Bathgate factory and machinery therein will continue to have a negative impact on overall performance.

**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**

The key performance indicators for the business are turnover and gross profit margins, stock holding duration and debtor days.

**Sales Performance**

Sales in the year to December 2013 fell by £2.89m in comparison to 2012. An analysis of our top 15 customers from 2012 shows that £1.7m of the fall is due to our customers either losing key contracts or going out of business. The rest is an across the board fall in business.

**Margin Performance**

Gross Profit performance fell in 2013 to 8.85% from 10.33% in 2012. This is almost entirely due to the competitive nature of the market where, in order to retain business, we have not been able to pass on supplier price increases.

**Stock Days**

The average number of days to turn stock in 2013 was 60 (2012 – 53). This is in part due to the change in nature of the business. In previous years when we were manufacturing, our raw material usage would turn over quickly. However, now that we are buying in our finished stock we are reliant on suppliers from home and abroad delivering on time and are holding higher stock levels to avoid the risk of stock shortages.

**Debtor Days**

The average number of days to receive payment from debtors was 101 in 2013 (2012 – 94).

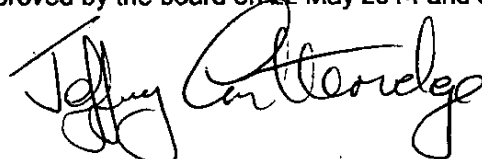
**EAGLE ENVELOPES LIMITED**

**STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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This report was approved by the board on 22 May 2014 and signed on its behalf.

**J C Gutteridge**  
Director

A handwritten signature in black ink, appearing to read 'J C Gutteridge', written over a horizontal line.

**EAGLE ENVELOPES LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and the financial statements for the year ended 31 December 2013.

**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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

**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.

**RESULTS**

The loss for the year, after taxation, amounted to £1,418,031 (2012 - loss £961,270).

**DIRECTORS**

The directors who served during the year were:

E M Bartl (resigned 12 February 2014)  
I M Filo  
J C Gutteridge

**EAGLE ENVELOPES LIMITED**

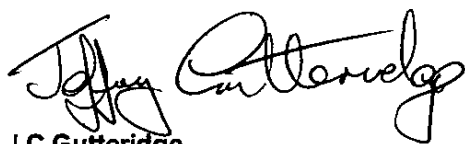
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**AUDITORS**

Under section 487(2) of the Companies Act 2006, PM+M Solutions for Business LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 22 May 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J C Gutteridge', is written over the printed name.

**J C Gutteridge**  
Director

**EAGLE ENVELOPES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO EAGLE ENVELOPES LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 8 to 16, together with the financial statements of Eagle Envelopes Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 8 to 16 have been properly prepared in accordance with the regulations made under that section.

A handwritten signature in black ink, appearing to read 'PM+M Solutions for Business LLP', is written over the printed name of the auditor.

Stephen Anderson (Senior statutory auditor)

for and on behalf of  
**PM+M Solutions for Business LLP**

Chartered Accountants  
Registered Auditors

Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

3 June 2014



## EAGLE ENVELOPES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>	1	<u>7,059,000</u>	<u>9,950,116</u>
<b>GROSS PROFIT</b>		<u>624,647</u>	<u>1,028,290</u>
Distribution costs		(364,664)	(555,692)
Administrative expenses		<u>(1,012,069)</u>	<u>(809,525)</u>
<b>OPERATING LOSS</b>	2	(752,086)	(336,927)
Interest receivable and similar income		14,418	-
Interest payable and similar charges	5	<u>(680,363)</u>	<u>(624,343)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(1,418,031)</u>	<u>(961,270)</u>
Tax on loss on ordinary activities		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	12	<u><u>(1,418,031)</u></u>	<u><u>(961,270)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 10 to 16 form part of these financial statements.

**EAGLE ENVELOPES LIMITED**  
**REGISTERED NUMBER: SC293145**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	6	713,046	734,480
<b>CURRENT ASSETS</b>			
Stocks	7	921,866	885,870
Debts factored with recourse:	8		
Gross debts (after provision for charges)		1,123,019	1,779,150
Other debtors	8	1,362,954	776,575
Cash at bank and in hand		77,893	97,296
		<u>3,485,732</u>	<u>3,538,891</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(6,522,786)</u>	<u>(5,229,490)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,037,054)</u>	<u>(1,690,599)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,324,008)</u>	<u>(956,119)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	10	7,954,492	7,904,350
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	4,380,168	4,380,168
Profit and loss account	12	(14,658,668)	(13,240,637)
<b>SHAREHOLDERS' DEFICIT</b>	13	<u>(10,278,500)</u>	<u>(8,860,469)</u>
		<u>(2,324,008)</u>	<u>(956,119)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 22 May 2014.

  
**J C Gutteridge**  
 Director

The notes on pages 10 to 16 form part of these financial statements.

**EAGLE ENVELOPES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013****1. ACCOUNTING POLICIES****1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Going concern**

The company incurred a loss and has significant net liabilities as at 31 December 2013. The company has received assurances from its parent company Mayer Kuvert-network GmbH that it 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.

**1.3 Cash flow**

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

**1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.5 Tangible fixed assets and depreciation**

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

Freehold property	- 4% Straight Line
Plant and machinery	- 12.5% to 33% Straight Line

**1.6 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.7 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

**EAGLE ENVELOPES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 Deferred taxation**

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

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

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

Deferred tax assets and liabilities are not discounted.

**1.10 Foreign currencies**

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

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

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

**1.11 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 2. OPERATING LOSS

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

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	204,509	333,818
Auditors' remuneration - PM+M Solutions for Business LLP	10,850	-
Auditors' remuneration - Springfords LLP	-	13,250
Operating lease rentals:		
- plant and machinery	220,985	309,848
Difference on foreign exchange	79,744	(294,029)
	<u>79,744</u>	<u>(294,029)</u>

## 3. STAFF COSTS

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

	2013 £	2012 £
Wages and salaries	702,535	2,182,918
Social security costs	60,185	162,875
Other pension costs	21,450	57,215
	<u>784,170</u>	<u>2,403,008</u>

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

	2013 No.	2012 No.
	30	79
	<u>30</u>	<u>79</u>

## 4. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	79,306	74,493
	<u>79,306</u>	<u>74,493</u>
Company pension contributions to defined contribution pension schemes	5,040	5,040
	<u>5,040</u>	<u>5,040</u>

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 5. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	16,598	21,649
On loans from group undertakings	663,765	602,694
	<u>680,363</u>	<u>624,343</u>

## 6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2013	446,345	3,000,845	3,447,190
Additions	-	151,535	151,535
Transfers intra group	-	712,552	712,552
Disposals	-	(436,386)	(436,386)
At 31 December 2013	<u>446,345</u>	<u>3,428,546</u>	<u>3,874,891</u>
<b>Depreciation</b>			
At 1 January 2013	125,706	2,587,004	2,712,710
Charge for the year	19,064	185,880	204,944
Transfers intra group	-	648,653	648,653
On disposals	-	(404,462)	(404,462)
At 31 December 2013	<u>144,770</u>	<u>3,017,075</u>	<u>3,161,845</u>
<b>Net book value</b>			
At 31 December 2013	<u>301,575</u>	<u>411,471</u>	<u>713,046</u>
At 31 December 2012	<u>320,639</u>	<u>413,841</u>	<u>734,480</u>

## 7. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	<u>921,866</u>	<u>885,870</u>

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 8. DEBTORS

	2013 £	2012 £
Amounts owed by group undertakings	1,275,677	699,359
Other debtors	7,217	-
Prepayments and accrued income	80,060	77,216
	<u>1,362,954</u>	<u>776,575</u>
Gross factored debts outstanding at 31 December 2013	<u>1,123,019</u>	<u>1,779,150</u>

## 9. CREDITORS:

## Amounts falling due within one year

	2013 £	2012 £
Trade creditors	145,401	177,902
Amounts owed to group undertakings	5,264,707	3,759,158
Other taxation and social security	118,722	239,624
Proceeds of factored debts	473,339	333,294
Other creditors	2,560	63,813
Accruals and deferred income	518,057	655,699
	<u>6,522,786</u>	<u>5,229,490</u>

Included within creditors are invoice financing liabilities of £473,339 (2012 - £333,294). These amounts 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.

## 10. CREDITORS:

## Amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	<u>7,954,492</u>	<u>7,904,350</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 varying rates between 3.5% and 7.25%.

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

## 11. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
4,380,168 Ordinary shares of £1 each	<u>4,380,168</u>	<u>4,380,168</u>

## 12. RESERVES

	Profit and loss account £
At 1 January 2013	(13,240,637)
Loss for the financial year	(1,418,031)
At 31 December 2013	<u>(14,658,668)</u>

## 13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Opening shareholders' deficit	(8,860,469)	(7,899,199)
Loss for the financial year	(1,418,031)	(961,270)
Closing shareholders' deficit	<u>(10,278,500)</u>	<u>(8,860,469)</u>

## 14. PENSION COMMITMENTS

Contributions payable by the company were £21,450 (2012 - £57,215).

## 15. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Expiry date:				
Within 1 year	-	-	788	8,108
Between 2 and 5 years	-	-	4,416	30,047
After more than 5 years	<u>158,595</u>	<u>158,595</u>	<u>-</u>	<u>-</u>



**EAGLE ENVELOPES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**16. ULTIMATE PARENT UNDERTAKING AND 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 Obchodná ulica 2 6, 811 08 Bratislava, Republic of Slovakia.