

Registered number: SC293145

**EAGLE ENVELOPES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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COMPANIES HOUSE

**EAGLE ENVELOPES LIMITED**

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	I M Filo T Schwarz (appointed 10 April 2014)
<b>REGISTERED NUMBER</b>	SC293145
<b>REGISTERED OFFICE</b>	Unit 1 Block 7 Whiteside Industrial Estate Bathgate West Lothian EH48 2RX
<b>INDEPENDENT AUDITORS</b>	PM+M Solutions for Business LLP Chartered Accountants & Statutory 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**  
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**EAGLE ENVELOPES LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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

The business has benefitted from trading with other group related companies who have experienced growth in their activities during the year.

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. A programme of machine refurbishment is underway to enable redundant equipment to be sold and thereby generate cash into the business. The costs of retaining the Bathgate factory will continue to have a negative impact on overall performance so consequently work has now commenced to bring the building into a suitable condition for future sale.

**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 2014 increased by £155k in comparison to 2013. The business has benefitted from trading with other group related companies experiencing sales growth in the year. The established customer base has remained largely intact and whilst there have been a small number of notable losses, generally the base is stable with encouraging growth on several accounts.

**Margin Performance**

Gross Profit performance improved in 2014 to 13.0% from 8.8% in 2013. This improvement has come primarily from a reduction in direct costs. In addition, the company has benefitted from shrewd buying of product, mainly from Group companies, in order to keep cost of materials as competitive as possible.

**EAGLE ENVELOPES LIMITED**

**STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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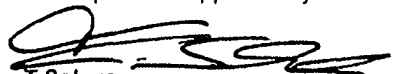
**Stock Days**

The average number of days to turn stock in 2014 was 61 (2013 – 60) and is influenced by the fact that we are holding stock to avoid the risk of stock shortages. Suppliers are based at home and abroad are we are reliant on them delivering on time. The aim is to reduce this level during 2015 due to improved stock management.

**Debtor Days**

The average number of days to receive payment from debtors was 85 in 2014 (2013 – 101).

This report was approved by the board on 15 July 2015 and signed on its behalf.

  
T Schwarz  
Director

**EAGLE ENVELOPES LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the audited financial statements for the year ended 31 December 2014.

**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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**DIRECTORS**

The directors who served during the year were:

I M Filo

T Schwarz (appointed 10 April 2014)

E M Bartl (resigned 12 February 2014)

J C Gutteridge (resigned 30 June 2014)

**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.

**EAGLE ENVELOPES LIMITED**

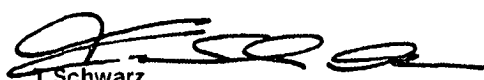
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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 15 July 2015 and signed on its behalf.

  
T Schwarz  
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 17, together with the financial statements of Eagle Envelopes Limited for the year ended 31 December 2014 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.

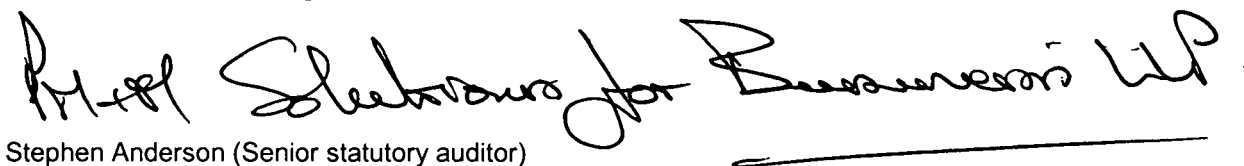
**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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 17 have been properly prepared in accordance with the regulations made under that section.

A handwritten signature in black ink, appearing to read 'Stephen Anderson for Business LLP', is written over a horizontal line.

Stephen Anderson (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

31 July 2015



## EAGLE ENVELOPES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1	<b>7,213,992</b>	<b>7,059,000</b>
<b>GROSS PROFIT</b>		<b>940,358</b>	<b>624,647</b>
Distribution costs		<b>(362,644)</b>	<b>(364,664)</b>
Administrative expenses		<b>(273,832)</b>	<b>(1,012,069)</b>
<b>OPERATING PROFIT/(LOSS)</b>	2	<b>303,882</b>	<b>(752,086)</b>
Interest receivable and similar income		<b>66,100</b>	<b>14,418</b>
Interest payable and similar charges	5	<b>(690,576)</b>	<b>(680,363)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(320,594)</b>	<b>(1,418,031)</b>
Tax on loss on ordinary activities	6	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	13	<b>(320,594)</b>	<b>(1,418,031)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.


The notes on pages 10 to 17 form part of these financial statements.

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

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	7	557,158	713,046
<b>CURRENT ASSETS</b>			
Stocks	8	934,563	921,866
Debts factored with recourse:	9		
Gross debts (after provision for charges)		988,471	1,123,019
Other debtors	9	1,330,092	1,362,954
Cash at bank and in hand		183,122	77,893
		<u>3,436,248</u>	<u>3,485,732</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(6,838,424)</u>	<u>(6,522,786)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,402,176)</u>	<u>(3,037,054)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,845,018)</u>	<u>(2,324,008)</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
	11	7,754,076	7,954,492
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	4,380,168	4,380,168
Profit and loss account	13	(14,979,262)	(14,658,668)
<b>SHAREHOLDERS' DEFICIT</b>	14	<u>(10,599,094)</u>	<u>(10,278,500)</u>
		<u>(2,845,018)</u>	<u>(2,324,008)</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 15 July 2015.

  
T. Schwarz  
Director

The notes on pages 10 to 17 form part of these financial statements.

**EAGLE ENVELOPES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014****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 2014. 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.

**1.3 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.

Revenue is recognised when goods are dispatched.

**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
Assets in the course of construction	-	depreciation is charged when the asset is brought into use

**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.

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**EAGLE ENVELOPES LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES (continued)****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.

**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 2014**2. OPERATING PROFIT/(LOSS)**

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	169,838	204,509
Auditors' remuneration	10,500	10,850
Operating lease rentals:		
- plant and machinery	48,448	61,894
- other operating leases	158,595	159,091
Difference on foreign exchange	(656,629)	79,744
	<u>                    </u>	<u>                    </u>

**3. STAFF COSTS**

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

	2014 £	2013 £
Wages and salaries	586,137	702,535
Social security costs	47,211	60,185
Other pension costs	18,223	21,450
	<u>                    </u>	<u>                    </u>
	<u>651,571</u>	<u>784,170</u>

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

	2014 No.	2013 No.
	26	30
	<u>                    </u>	<u>                    </u>

**4. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	47,945	79,306
	<u>                    </u>	<u>                    </u>
Company pension contributions to defined contribution pension schemes	2,520	5,040
	<u>                    </u>	<u>                    </u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

## 5. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	18,042	16,598
On loans from group undertakings	672,534	663,765
	<u>690,576</u>	<u>680,363</u>

## 6. TAXATION

	2014 £	2013 £
UK corporation tax charge on loss for the year	-	-

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(320,594)</u>	<u>(1,418,031)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	(68,896)	(329,692)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	157
Capital allowances for year in excess of depreciation	(32,474)	(106,881)
Utilisation of tax losses	101,370	432,665
Other timing differences leading to an increase (decrease) in taxation	-	3,751
<b>Current tax charge for the year (see note above)</b>	<u>-</u>	<u>-</u>

## 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 £2.7m. The deferred tax asset will be fully recoverable should there be appropriate future taxable profits.

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

## 7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Assets in the course of construction £	Total £
<b>Cost</b>				
At 1 January 2014	446,345	3,428,546	-	3,874,891
Additions	-	12,720	2,710	15,430
Disposals	-	(26,148)	-	(26,148)
At 31 December 2014	446,345	3,415,118	2,710	3,864,173
<b>Depreciation</b>				
At 1 January 2014	144,770	3,017,075	-	3,161,845
Charge for the year	19,065	150,773	-	169,838
On disposals	-	(24,668)	-	(24,668)
At 31 December 2014	163,835	3,143,180	-	3,307,015
<b>Net book value</b>				
At 31 December 2014	282,510	271,938	2,710	557,158
At 31 December 2013	301,575	411,471	-	713,046

## 8. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	934,563	921,866

## 9. DEBTORS

	2014 £	2013 £
Amounts owed by group undertakings	1,261,370	1,275,677
Other debtors	6,239	7,217
Prepayments and accrued income	62,483	80,060
	1,330,092	1,362,954
Gross factored debts outstanding at 31 December 2014	988,471	1,123,019

## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**10. CREDITORS:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>96,905</b>	145,401
Amounts owed to group undertakings	<b>5,669,165</b>	5,264,707
Other taxation and social security	<b>153,809</b>	118,722
Proceeds of factored debts	<b>368,191</b>	473,339
Other creditors	<b>2,356</b>	2,560
Accruals and deferred income	<b>547,998</b>	518,057
	<b>6,838,424</b>	6,522,786

The proceeds of factored debts 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.

**11. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>7,754,076</b>	7,954,492

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%.

**12. SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
4,380,168 Ordinary shares of £1 each	<b>4,380,168</b>	4,380,168



## EAGLE ENVELOPES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

## 13. RESERVES

	Profit and loss account £
At 1 January 2014	(14,658,668)
Loss for the financial year	(320,594)
At 31 December 2014	<u>(14,979,262)</u>

## 14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(10,278,500)	(8,860,469)
Loss for the financial year	(320,594)	(1,418,031)
Closing shareholders' deficit	<u>(10,599,094)</u>	<u>(10,278,500)</u>

## 15. PENSION COMMITMENTS

Contributions payable by the company were £18,223 (2013 - £21,450).

## 16. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>Expiry date:</b>				
Within 1 year	158,595	-	2,208	788
Between 2 and 5 years	-	158,595	-	4,416

**EAGLE ENVELOPES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**17. 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, Wannenackerstrasse 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.