

Crown Packaging Commercial UK Limited

Annual report and financial statements
For the year ended 31 December 2013

Registered number: 07465572

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Strategic report for the year ended 31 December 2013

The directors present their strategic report on the affairs of the Company for the year to 31 December 2013.

Principal activities and business review

The principal activity of Crown Packaging Commercial UK Limited was to operate as a distributor in the UK on behalf of Crown Packaging Europe GmbH (the Principal).

The financial statements for the year are set out on pages 8 to 16. The profit for the year after taxation was £2,924,000 (2012: £3,340,000).

2013 saw the company continuing to operate under the terms of the limited risk distribution agreement entered into in 2011 with Crown Packaging Europe GmbH (the Principal). Under this agreement the company operates as a distributor under the control and direction of the Principal and is a limited risk distribution company with value added returns fixed until December 2015. This agreement centralises risk mitigation, maintains better risk control and improves sales organisation and process.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are limited by the nature of its role within the Crown group of companies under its status as a limited risk distributor for Crown's UK sales.

Financial risk management

Under the contract manufacturing agreement, the company has reduced exposure to price and credit risk as these risks are borne by the Principal, Crown Packaging Europe GmbH. The company is part of a larger US owned group, the Crown Holdings, Inc. Group, and the risk management programme seeking to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and related financial costs, is maintained at Group level.

Interest rate risk

The company is exposed to interest rate risk, and the management of this exposure is handled by the Group's European Treasury department on behalf of the company and the rest of the Crown Group.

Liquidity and cash flow risk

The company's liquidity is managed centrally within the Group. The Group maintains a mixture of long-term and short-term financing arrangements that are designed to ensure the Group and company have sufficient funds available for operations.

Details of the company's cash flow forecasts are supplied to Group Treasury to assist with the Group's cash management position and to minimise the risk of uncertain future funding requirements. The company's finance department implements the Group's policies and guidelines as set out in the Group's Financial Accounting Policies manual.

Credit risk

Under the limited risk contract manufacturing arrangement, the company's sole supplier is now Crown Packaging Europe GmbH and any credit risk exposure for the company is borne by the Principal.

Exchange rate risk

The company seeks to limit any risk from fluctuating exchange rates on sales and purchases in foreign currency by taking out forward contracts where appropriate, in line with the Group's Financial Accounting Policies manual.

Strategic report for the year ended 31 December 2013 (continued)

Key performance indicators (“KPI’s”)

The company and wider group is managed on a divisional basis with performance monitored using a number of “World Class Performance” indicators, concerning the efficiency of the production cycle. Company management is also rewarded and incentivised with reference to a number of specific financial measures concerning profitability, asset utilisation and cash flow. Management believe all of these were met in 2013.

On behalf of the Board



Aidan Ruddock
Director

Directors' report for the year ended 31 December 2013

The directors present their report together with the financial statements and the independent auditors' report, for the year to 31 December 2013.

Future outlook

It is the directors' intention that the main purpose of this Company is to continue to operate as a limited risk distributor for UK sales.

Research and development

The Company's activities do not lend themselves to research and development.

Dividends

The directors recommended and paid a dividend of £5,000,000 (2012: £nil) in respect of the year ended 31 December 2013 to the parent company, Crown UK Holdings Ltd (note 13).

Directors

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated, are given below:

Martin Constable

Mark Guizzetti

Aidan Ruddock Appointed 17 May 2013

Employment policies

It is the Company's policy to provide employment terms, which are motivational and equitable, in accordance with national legislation and local market conditions. Training and development opportunities are provided as a function of the needs of the Company and of the individuals concerned, with a view to improving every individual's, and thereby the Company's performance. It is also the Company's policy to keep employees aware of the financial and economic factors that may affect the business environment in which the Group operates and how these factors may affect the performance of the Company.

Throughout the year, the drive for improved quality in all functions has served as an important focus for improved communication with employees. The Company's continued commitment to world-class performance in all locations has been the basis for involving employees and enlisting their commitment through training and joint problem solving in a team-working environment. It is the Company's policy to keep employees fully informed on matters which affect them, through direct communications and established collective procedures for joint consultation.

The Company promotes its Health and Safety policy with high profile initiatives and has throughout the year continued vigorously to apply increasing standards of machine and employee safety and has also increased the amount of training specifically related to this matter.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled the Group continues employment wherever possible and arranges retraining.

Branches outside the UK

The company has one branch located outside of the UK, in Ireland.

Directors' report for the year ended 31 December 2013 (continued)

Statement of directors' responsibilities

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

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

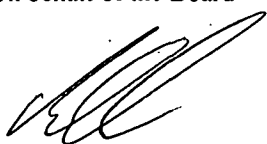
Statement of disclosure of information to auditors

So far as they are aware, each of the directors at the date of this report confirms that there is no relevant audit information of which the company's auditors are unaware, and that the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Aidan Ruddock
Director

Independent auditors' report to the members of Crown Packaging Commercial UK Limited For the year ended 31 December 2013

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Crown Packaging Commercial UK Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (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.

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.

**Independent auditors' report to the members of Crown Packaging Commercial UK Limited
For the year ended 31 December 2013 (continued)**

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 Directors' Responsibilities Statement set out on page 5, 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 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.



Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading



Profit and Loss Account for the year ended 31 December 2013

	Note	31 December 2013 £'000	31 December 2012 £'000
Turnover	2	440,179	466,940
Administrative expenses		(435,609)	(462,077)
Operating profit	3	4,570	4,863
Interest receivable and similar income	5	7	4
Interest payable and similar charges	6	(684)	(385)
Profit on ordinary activities before taxation		3,893	4,482
Tax on profit on ordinary activities	7	(969)	(1,142)
Profit for the financial year	12	2,924	3,340

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

All results above are derived from continuing activities.

There are no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance Sheet as at 31 December 2013

		31 December 2013 £'000	31 December 2012 £'000
Current assets	Note		
Debtors (amounts falling due within one year)	8	85,150	85,848
Debtors (amounts falling due after more than one year)	9	1,250	-
Cash at bank and in hand		395	755
		86,795	86,603
Creditors - amounts falling due within one year	10	(83,105)	(80,837)
Net current assets		3,690	5,766
Total assets less current liabilities		3,690	5,766
Net assets		3,690	5,766
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	3,590	5,666
Total shareholders' funds	12	3,690	5,766

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

The financial statements on pages 8 to 16 were approved by the Board of Directors on *13th June* 2014 and signed on their behalf by:



Aidan Ruddock
Director

Crown Packaging Commercial UK Limited
Registered Company number: 07465572

Notes to the financial statements for the year ended 31 December 2013

1 Statement of accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

The company is a wholly owned subsidiary company of a group headed by Crown Holdings, Inc., and is included in the consolidated financial statements of both that company and the intermediate parent company, Crown UK Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996), "Cash flow statements" from not presenting a cash flow statement.

Turnover

Turnover represents the invoiced value of sales (excluding Value Added Tax, similar sales related taxes and trade discounts) of packaging containers and related services in the normal course of business and is recognised upon despatch of goods, or where appropriate, on satisfactory delivery of goods to a customer designated location depending on terms of supply.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at mid-market rates of exchange at the balance sheet date or if appropriate, at a related forward contract rate. Revenue and expenditure items denominated in foreign currencies are translated to sterling at the average rate of exchange ruling in the month in which the transaction took place. All exchange differences are included in the profit and loss account in the year to which they relate. The company seeks to limit any risk from fluctuating exchange rates on sales and purchases in foreign currency by taking out forward contracts.

Operating leases

Operating lease charges are expensed to the profit and loss account on a straight-line basis over the term of the lease.

Deferred taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation. Provision is made in full for deferred taxation liabilities that arise from timing differences where transactions or events that result in an obligation to pay more taxation in the future have occurred at the balance sheet date. Deferred taxation assets are recognised to the extent that they are regarded as recoverable.

Deferred taxation is measured by the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation assets and liabilities are not discounted.

Retirement benefits

The company is a member of the Metal Box Pension Scheme ('pension scheme') which comprises both a defined benefit and defined contribution scheme. The assets of the pension scheme are held separately from the Group's assets in a Trustee administered fund. Details of the pension scheme are set out in note 13 to the financial statements.

Under FRS 17 "Retirement Benefits" the scheme is accounted for as a defined contribution scheme as the company is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

Notes to the financial statements for the year ended 31 December 2013 (continued)**2 Turnover**

Turnover, all of which arises in the United Kingdom, may be analysed as follows:

	Year end 2013 £'000	Year end 2012 £'000
Geographical analysis by destination:		
European Union Countries	387,921	443,795
Rest of Europe	39,806	7,271
Rest of the World	12,452	15,874
	440,179	466,940

In the opinion of the directors, the company's activities of the sale of packaging containers represents one class of business for the purposes of segmental reporting.

3 Operating Profit

	Year end 2013 £'000	Year end 2012 £'000
Operating profit is stated after charging/(crediting):		
Staff costs (note 4)	2,734	3,192
Operating leases	201	189
Purchase of finished goods	429,543	457,437
Selling and marketing costs	2,344	880
Net foreign exchange gain	(44)	(114)
Services provided by the Company's auditor		
- Fees payable for the audit	20	10
Redundancy costs	390	-
Other administrative costs	421	483
	435,609	462,077

Notes to the financial statements for the year ended 31 December 2013 (continued)**4 Staff costs and directors' emoluments**

The average monthly number of persons employed by the company, including executive directors, during the year split by activity was:

	Year end 2013 Number	Year end 2012 Number
Sales	33	44
Administration	6	3
Total	39	47

	Year end 2013 £'000	Year end 2013 £'000
Staff costs		
Wages and salaries	2,085	2,328
Social security costs	330	297
Other pensions costs (note 14)	319	567
Staff costs	2,734	3,192

	Year end 2013 £'000	Year end 2012 £'000
Directors' emoluments		
Aggregate emoluments excluding pension cost	268	172
Pension cost	45	17
Total	313	189

Highest paid director		
Aggregate emoluments	97	82
Pension cost	5	4
Total	102	86

Retirement benefits are accruing to two (2012: two) directors under the defined benefit scheme and one (2012: one) director under the defined contribution scheme. The highest paid director had no amounts accrued under a defined benefit pension scheme (2012: nil).

Notes to the financial statements for the year ended 31 December 2013 (continued)**5 Interest receivable and similar income**

	Year end 2013 £'000	Year end 2012 £'000
Interest receivable on bank and other deposits	7	4
Total interest receivable and other income	7	4

6 Interest payable and similar charges

	Year end 2013 £'000	Year end 2012 £'000
Interest payable on securitisation of trade debtors	639	307
Interest payable on bank overdraft and other interest bearing liabilities	45	78
Total interest payable and similar charges	684	385

7 Tax on profit on ordinary activities

	Year end 2013 £'000	Year end 2012 £'000
Current tax:		
UK corporation tax on profit for the year	969	1,142
Total current tax	969	1,142
Total charge on profit on ordinary activities	969	1,142

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK 23.25% (2012: 24.5%). The differences are explained as follows:

	Year end 2013 £'000	Year end 2012 £'000
Profit on ordinary activities before taxation	3,893	4,482
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	905	1,098
Effects of:		
Expenses not deductible for tax	3	-
Imputed interest income	61	44
Total current tax charge	969	1,142

Future tax changes:

Changes to the UK Corporation tax system were announced in the 2013 Budget, including a further decrease to 21% from 1 April 2014, and 20% from 1 April 2015. These changes were enacted in July 2013.

Notes to the financial statements for the year ended 31 December 2013 (continued)**8 Debtors (amounts falling due within one year)**

	Year end 2013 £'000	Year end 2012 £'000
Trade debtors (secured – note 10)	26,352	22,492
Amounts owed by group undertakings	57,716	62,323
Other debtors	1,082	1,033
Total debtors	85,150	85,848

Amounts owed by group undertakings are unsecured and have no fixed date of repayment.

9 Debtors (amounts falling due after more than one year)

	Year end 2013 £'000	Year end 2012 £'000
Prepayments and accrued income	1,250	-
Total debtors	1,250	-

10 Creditors: amounts falling due within one year

	Year end 2013 £'000	Year end 2012 £'000
Trade creditors	92	-
Amounts owed to group undertakings	35,131	34,731
Amounts due in respect of securitised debtors	34,104	32,520
UK Corporation tax	969	1,142
Other taxation and social security	50	44
Other creditors	146	-
Accruals and deferred income	12,613	12,400
	83,105	80,837

Amounts owed to group undertakings (parent and other) are unsecured, interest free and repayable on demand.

Amounts due in respect of securitised debtors include a cash advance of £34,104,000 (2012: £32,520,000) received from Credit Agricole. These amounts are secured on the trade debtors of the company as at 30 November 2013 and on cash received from securitised debtors between this date and the year-end which has been deposited with another group company. The debtors on which this loan is secured are reflected in the company's Balance Sheet. Interest is payable on these balances at a rate of Euribor plus 1.3% for the term of the loan on each individual securitised trade debtor balance.

Notes to the financial statements for the year ended 31 December 2013 (continued)**11 Called up share capital**

	Year end 2013 £'000	Year end 2012 £'000
Allotted and fully paid		
(2012: 100,000) ordinary shares of £1 each	100	100

12 Reconciliation of movement in shareholders' funds

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2013	100	5,666	5,766
Dividend paid	-	(5,000)	(5,000)
Profit and loss account	-	2,924	2,924
At 31 December 2013	100	3,590	3,690

13 Dividends

	31 December 2013 £'000	31 December 2012 £'000
Final equity dividend paid of £50.00 per £1.00 share (2012: £nil)	5,000	-

14 Financial commitments

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

Other operating leases:	Year end 2013 £'000	Year end 2012 £'000
Plant and machinery		
Within one year	4	21
Between two and five years	110	122
	114	143

Notes to the financial statements for the year ended 31 December 2013 (continued)

15 Retirement benefits

Pension Scheme

The company participates in the Group's UK pension scheme, the Metal Box Pension Scheme, which is operated by CarnaudMetalbox Group UK Ltd and comprises both a defined benefit and defined contribution scheme providing benefits to certain employees within the Group. The scheme is funded and the assets of the scheme are held separately from the Group's assets in a Trustee administered fund.

The latest actuarial valuation of the UK Group scheme was carried out as at 31 December 2013 by professionally qualified independent actuaries, Aon Consulting. Details of this valuation are contained in the financial statements of Crown UK Holdings Limited. The total deficit of the scheme as at 31 December 2013 was £248.6 million (2012: £182.0 million).

The contributions paid by the company and thus equating to the charge for the year ended 31 December 2013 were £319,000 (2012: £567,000). All amounts due in the year were paid and as such there are no accruals or prepayments in respect of pension scheme contributions at the year end. The contributions are based on pension costs across the Group as a whole. The deficit of the scheme has no implications for the company as the deficit is funded by a fellow UK group company.

16 Related parties

The company has taken advantage of the exemption available under paragraph 3 (c) from the provisions of FRS 8, "Related Party Disclosures" which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it is a wholly owned subsidiary of a Group headed by Crown Holdings, Inc., a company incorporated in the USA whose financial statements are publicly available.

17 Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Crown UK Holdings Limited, and the ultimate parent undertaking and controlling party is Crown Holdings, Inc., which is incorporated in the USA.

The smallest and largest groups for which group financial statements are prepared and which include the financial statements of the company are Crown UK Holdings Limited, registered in England and Wales, and Crown Holdings, Inc. respectively.

Copies of the consolidated financial statements of both the above companies are publicly available and may be obtained from the Company Secretary at the company's registered address of Borland Avenue, Botcherby, Carlisle CA1 2TL.