

Promens Holding UK Limited

**Directors' report and financial
statements**

Registered number 03672192

For the Year Ended - 31 December 2012

TUESDAY



A2HM71T7

A50

24/09/2013

#16

COMPANIES HOUSE

Promens Holding UK Limited
Company Information

Directors	A Platt J Sigurdsson
Secretary	DH Learner
Company Number	03672192
Registered Office	Promens Packaging Limited Engineer Park Sandycroft Deeside CLWYD CH5 2QD
Auditors	KPMG LLP 6 Lower Brook Street Ipswich Suffolk IP4 1AP

Contents

	Page no
Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditor's report to the members of Promens Holding UK Limited	4
Profit and loss account	6
Balance sheet	7
Notes	8

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2012

Principal activities

The principal activity is that of an investment holding company

Business review

The Company operates as a holding company, investing in UK subsidiary companies in the plastic packaging market. It derives its funding from a mixture of loans from internal and external sources in addition to dividends received as returns on its investment in its subsidiary companies. It then applies this funding for further investment in these businesses in order to improve and expand the quality of its investments.

The risks and uncertainties that the Company faces are those that impact directly upon the business of its manufacturing and selling operations within the main subsidiary company. The main risks and uncertainties revolve around the activity levels in the marketplace in which the main subsidiary company operates, along with the currency risk that revolves around the EUR and GBP exchange rates. These risks and uncertainties that apply to the subsidiary undertakings in which the Company holds investments are dealt with in the accounts of those companies.

The Directors consider that both the level of business and the year end financial position were satisfactory.

Results and dividends

The loss for the year, after taxation, amounted to £60,000 (2011 £5,405,000 profit). The directors recommend the payment of a dividend for 2012 of £nil (2011 £nil recommended). During the year no dividend was received from its subsidiary companies. In the prior year, a dividend of £11,174,000 was received from Promens Deeside Limited following a capital reduction at that subsidiary, which also resulted in an impairment being made in the year against the investment in that subsidiary of £5,422,000. During the year the company paid a dividend to its shareholder of £4,000,000 (2011 £1,632,000).

Directors and directors' interests

The directors who held office during the year were as follows:

J Sigurdsson
A Platt

None of the directors has a material interest in any contract of significance to which the Company was a party during the financial year.

Directors' report *(continued)*

None of the Directors were Directors of the ultimate parent company, Promens Hf

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



D Learner
Company Secretary

Date

19 September 2013

Engineer Park
Factory Road
Sandycroft
Deeside
Clwyd

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Promens Holding UK Limited

We have audited the financial statements of Promens Holding UK Limited for the year ended 31 December 2012 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Promens Holding UK Limited (continued)

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

S Beavis

Stephanie Beavis (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

6 Lower Brook Street

Ipswich

IP4 1AP

19 September 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £000	2011 £000
Administrative expenses	3	22	21
Operating profit		22	21
Income from shares in group undertakings	5	-	11,174
Amounts written off investments		-	(5,422)
Interest receivable and similar income	6	694	883
Interest payable and similar charges	7	(776)	(1 251)
(Loss)/profit on ordinary activities before taxation		(60)	5,405
Taxation	9	-	-
Retained(loss)/profit for the year		(60)	5,405

There were no recognised gains or losses in either period other than the (loss)/profit for the period reported above

All activity arose from continuing operations

The notes on pages 8 to 14 form part of these financial statements

Balance sheet
at 31 December 2012

	<i>Note</i>	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Investments	10		16,750		16,750
Current assets					
Debtors due within one year	11	253		222	
Debtors due after one year	11	12,000		12,000	
Cash at bank and in hand		3,658		4,211	
		<u>15,911</u>		<u>16,433</u>	
Creditors amounts falling due within one year	12	<u>(1,538)</u>		<u>(1,145)</u>	
Net current assets			<u>14,373</u>		<u>15,288</u>
Total assets less current liabilities			<u>31,123</u>		<u>32,038</u>
Creditors amounts falling due after more than one year	13		<u>(27,653)</u>		<u>(24,508)</u>
Net assets			<u>3,470</u>		<u>7,530</u>
Capital and reserves					
Called up share capital	14		224		224
Share premium account			2,015		2,015
Profit and loss account	15		1,231		5,291
Shareholders funds	16		<u>3,470</u>		<u>7,530</u>

These financial statements were approved by the board of directors on 19 September 2013 and were signed on its behalf by



A Platt
Director

Company registered number 0367192

The notes on pages 8 to 14 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under the exemption contained in Section 400 of the Companies Act 2006, no group accounts have been prepared as the company is itself a wholly owned subsidiary of Promens Hf, a company registered in Iceland. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 1.

The company has considerable financial resources and its main trading subsidiary, Promens Packaging Limited has contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Fixed asset investments are shown at cost less any provision or impairment in value.

Cash flow statement

As permitted by Financial Reporting Standard No 1 (revised 1996), the Company has not produced a cash flow statement, as it is a wholly owned subsidiary of Promens Hf, a company registered in Iceland, and its cash flows are included within the consolidated cash flow statement of that company.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

2 Loss on ordinary activities before taxation

	2012 £000	2011 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors remuneration		
Audit	12	11
Other services - relating to taxation	5	23
Other services – relating to all other services	-	12
	<hr/>	<hr/>

Notes (continued)

3 Administrative expenses

	2012 £000	2011 £000
Administrative costs	1,011	528
Corporate service re-charge	(1,033)	(549)
	<u>(22)</u>	<u>(21)</u>

4 Employee information

The company has three employees (2011 two) All of the costs for these employees (2011 all) are fully recharged to another group company

None of the directors received any remuneration during the year

5 Income from shares in group undertakings

	2012 £000	2011 £000
Ordinary dividend received	-	11,174

6 Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from group undertakings	694	883
	<u>694</u>	<u>883</u>

7 Interest payable and similar charges

	2012 £000	2011 £000
Interest payable on bank loans and overdrafts	678	1,112
Interest payable to group undertakings	87	98
Cost of obtaining loan finance	-	31
Interest and other charges	11	10
	<u>776</u>	<u>1,251</u>

8 Dividends

	2012 £000	2011 £000
Ordinary interim dividend paid	4,000	1,632

Notes (continued)

9 Tax on profit on ordinary activities

Analysis of charge in year

	2012 £000	2011 £000
<i>UK corporation tax</i>		
Group relief surrendered	-	-
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	-	-
	<hr/>	<hr/>
<i>UK deferred tax</i>		
Origination/reversal of timing differences	30	-
Adjustments in respect of prior periods	(30)	-
	<hr/>	<hr/>
Deferred tax charge on ordinary activities	-	-
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge (2011 charge) for the year is lower (2011 lower) than the standard rate of corporation tax in the UK 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	(60)	5,405
	<hr/>	<hr/>
Current tax at 24.5% (2011 26.5%)	(15)	1,432
	<hr/>	<hr/>
<i>Effects of</i>		
Group relief surrendered	21	92
Payment receivable for group relief	-	-
Inter-group dividends not taxable	-	(2,961)
Impairment of investment not deductible for tax	-	1,437
Unutilised losses carried forward	-	-
Utilisation of losses brought forward	(6)	-
	<hr/>	<hr/>
Total current tax credit (see above)	-	-
	<hr/>	<hr/>

As at 31 December 2012, there are accumulated losses available to the company for set off against profits of the same trade which are estimated at £1,315,000 (2011 £1,499,000). These have not been recognised as a deferred tax asset due to the timing and uncertainty of the future profit stream of the company.

The group relief payment is receivable on a nil payment basis (2011 nil payment basis) in respect of losses surrendered to other group companies in the UK.

Notes (continued)

10 Investments

	Interests in subsidiary undertakings £000
<i>Cost</i>	
At beginning of the year	16,750
Impairment arising in the year	-
	<hr/>
At end of year	16,750
	<hr/>
<i>Net book value</i>	
At 31 December 2012	16,750
	<hr/>
At 31 December 2011	16,750
	<hr/>

An impairment charge arose during 2011 on the company's investment in the shares of Promens Deeside Limited, following a capital reduction and distribution programme in that company. That company was voluntarily removed from the Register of Companies during 2012.

The company has investments in the following subsidiary undertakings, all wholly-owned and incorporated in the UK

<i>Subsidiary undertakings</i>	<i>Principal activity</i>
Promens Packaging Limited	Manufacture of Consumer Food and Industrial Packaging products
Promens Food Packaging Limited	No longer trading

11 Debtors

	2012 £000	2011 £000
<i>Amounts falling due within one year</i>		
Amounts due from group undertakings	116	140
Prepayments and accrued income	7	5
Taxation	130	77
	<hr/>	<hr/>
	253	222
	<hr/>	<hr/>
<i>Amounts falling due after more than one year</i>		
Amounts due from group undertakings	12,000	12,000
	<hr/>	<hr/>

Notes (continued)

12 Creditors. amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	4	-
Amounts owed to group undertakings	29	53
Accruals	279	207
Taxation and social security	39	14
Bank loans	1,187	871
Debt refinancing costs	-	-
	<u>1,538</u>	<u>1,145</u>

13 Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Group working capital facility provided from subsidiary undertakings	12,821	10,202
Amounts owed to group undertakings	1,704	-
Bank loans	13,128	14,306
Debt refinancing costs	-	-
	<u>27,653</u>	<u>24,508</u>

Promens Holding UK Limited and its subsidiary undertakings are parties to a UK cash pooling arrangement with Nordea Bank Finland plc in London. Taken together with the other members of this UK cash pooling arrangement there are surplus funds overall of £3,658,000 (2011 £4,211,000)

Borrowings are repayable as follows

	2012 £000	2011 £000
Bank loans		
Within one year	1,187	871
Between one and two years	1,296	1,198
Between two and five years	11,832	13,108
	<u>14,315</u>	<u>15,177</u>
Loans from group undertakings		
Between two and five years	-	-
	<u>-</u>	<u>-</u>
Borrowings categorised in the Balance Sheet as follows		
amounts due within one year	1,187	871
amounts due in more than one year	13,128	14,306
	<u>14,315</u>	<u>15,177</u>

Notes (continued)

11 Creditors: amounts falling due after more than one year (continued)

The external bank loan facility was successfully refinanced during the year and consists of one sterling loan repayable over five years, being part of the bi-annual amortising facility D of the Promens Hf group's Term Loan Facility agreement with DnB NOR. The term loan is of a 5 year duration. Security is provided in the form of the company's shareholding in its subsidiary company Promens Packaging Limited. In 2011 the loan and security details were the same as the new loan facility.

14 Called up share capital

			2012 £000	2011 £000
<i>Authorised</i>				
Ordinary shares of £1 each			224	224
			<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>				
Number	Class	Nominal Value		
223,898	Ordinary	£1	224	224
			<hr/>	<hr/>

15 Profit and loss account

	2012 £000	2011 £000
At beginning of year	5,291	1,518
(Loss)/profit for the financial year	(60)	5,405
Dividend paid	(4,000)	(1,632)
	<hr/>	<hr/>
At end of year	1,231	5,291
	<hr/>	<hr/>

16 Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' surplus	7,530	3,757
(Loss)/profit for the financial year	(60)	5,405
Dividend paid	(4,000)	(1,632)
	<hr/>	<hr/>
Closing shareholders' funds	3,470	7,530
	<hr/>	<hr/>

Notes *(continued)*

17 Contingent Liabilities

The company is part of a group banking arrangement with Nordea Bank Finland plc in London together with Promens Packaging Limited, Promens Deeside Limited and Promens Food Packaging Limited. Under this arrangement, the company is party to cross guarantees in respect of these group banking arrangements in which Promens Holding UK Limited has no net liability.

An overdraft facility currently exists between the company and its bankers, Nordea Bank Finland plc, London for £1,000,000. This was set up during 2007 in advance of an expected change in timings of cashflows to the suppliers of the company's main subsidiary undertaking, Promens Packaging Limited.

As security for the obligations under the main financing agreements established between Star AcquisitionCo AS (an intermediate parent company) and its bank syndicate led by DNB Bank ASA, Promens Holding UK Limited has pledged all shares in Promens Packaging Limited.

18 Immediate Parent

The immediate parent company is Promens Group BV, a company incorporated in Netherlands.

19 Ultimate parent company and ultimate controlling party

The company is a wholly owned subsidiary undertaking of Promens Hf, registered in Iceland.

The largest and smallest group of which Promens Holding UK Limited is a member, and for which group accounts are drawn up, is headed by Promens Hf, a company incorporated in Iceland. The principal place of business of Promens Hf is at Hlíðasmari, 201 Kopavogur, Iceland. The consolidated accounts of this company are available to the public and can be obtained from the above address.

20 Related party disclosures

The company has taken advantage of the exemption included in Financial Reporting Standard No 8 "Related Party Disclosures" for wholly owned subsidiaries not to disclose transactions with entities that are part of a group or investees of the group qualifying as related parties.