

**Alma Products Limited - Registered number
01665868**

**Directors' report and financial
statements**

For the year ended 31 December 2011



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Principal activities

The principal activities of the Company are the manufacture and marketing of plastic products, primarily multi and mono-layered sheet for the food industry and the manufacture of thermoforming cups and trays for the food packaging market. In addition, the Company is involved in the use of recycled materials for non-food applications.

Business review

The results for the year are shown on page 7

In 2011 trading conditions in the Plastics Industry proved a little less challenging than in previous years in terms of polymer pricing which on average remained fairly static across the year - although at record levels

As previously reported the Company is able to pass through polymer price movements to its customer base, although with time delays. Management continue to be active in reducing such time delays. The Company's profitability is sensitive to polymer price developments and therefore requires careful management and control of pricing arrangements with both suppliers and customers. In previous reports the Directors asserted that they believed that they had in place the pricing systems required to accommodate the desired profitability levels on a long term basis. This view remains unchanged despite the unprecedented high prices experienced in 2011.

The principle risks and uncertainties facing the Company continue to revolve around potential volatile polymer prices and the on-going refusal of UK and European retailers to compensate suppliers in full for the continued increases in energy, transport and ancillary packaging material costs - all of which are due to factors beyond the control of the Company.

The Company's key performance indicators are sales volumes in tonnes processed and the average margin and contribution to overheads achieved.

Revenues for the year are well ahead of the previous financial year with higher selling prices and increased volumes. Selling prices have risen due to the aforementioned high polymer prices as well as a continuing improvement in sales mix with the introduction of higher added value thermoformed products. The Company's focus continues to be on the production of material for the food packaging market which continues to be much less affected in general terms by the economic crisis than other industrial companies and segments. The food product packaged with the Company's products are seen by consumers as integral and necessary items on the daily menu rather than something they can or will easily defer from. As a result the Company's main business segment continues to hold up well.

Whilst the Directors are looking forward with confidence to 2013 and the continued growth of the Company as new projects are brought to fruition, it was announced at the end of 2011 that the Company's largest customer would in the future, for strategic reasons be purchasing the products currently sourced from Alma Products from an external company associated with the customer. The Directors are clearly disappointed by this decision but have negotiated a phased transition to the new supplier such that the Company shall continue to receive significant sales volumes during the first five months of 2012.

There are a number of new projects currently underway, which will provide the replacement revenue from the customer loss. The continued advancement and focus into thermoformed articles is seen by the Directors as the catalyst to ensuring future continued growth and stable profitability.

The Directors have been informed that on May 1, 2012 Plasticos Holding AG, the ultimate parent company, had been placed in administration.

Directors' report (continued)

As noted in earlier reports the parent company had guaranteed the intercompany debts in respect of Alma Polska Lustpack Sp z o o. As a consequence as noted in the accompanying financial statements the Company has been forced to make a substantial impairment in respect of the amounts owed by group and associated companies.

On August 20, 2012 as part of the sale of a group company Alma Products Limited acquired 100% of the shares of sister company Alma Extrusions AG, Switzerland for zero consideration by way of a capital contribution by Plasticos International B V, the immediate parent company of Alma Products Limited, in the amount of €4,734,349. After review the Directors decided to adopt a prudent approach and make a fair value adjustment to reflect net equity value at the date of acquisition and reduce the value recorded in its financial statements to £2,835,350.

The Directors consider the impact of this acquisition on the financial statements of the Company to increase the net assets of the Company by £2,835,350 as stated below.

	£000
Net assets at 31 December 2011 per audited balance sheet	919
Investment in new subsidiary	2,835
Revised proforma unaudited net assets	<u>3,754</u>

Directors' report *(continued)*

Losses and dividend

The result before taxation for the year ended 31 December 2011, before exceptional items of £3 487,000 (2010 £nil), was a profit of £756,000 (2010 loss £89,000) A dividend of £nil (2010 £nil) has been paid

Directors

The directors who held office during the year were as follows

H W Kessler
D Blundell
J S Dick
H R Wild

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 he ought to have taken as a director to make himself 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 Blundell
Secretary

Unit 2
Lancer Court
Chadwick Road
Astmoor Industrial Estate
Runcorn
Cheshire
WA7 1PN

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.



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditor's report to the members of Alma Products Limited

We have audited the financial statements of Alma Products Limited for the year ended 31 December 2011 set out on pages 7 to 21. 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 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 4, 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 2011 and of its loss 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 matters 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 Alma Products 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



HP Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

28 September 2012

Profit and loss account
for the year ended 31 December 2011

	<i>Note</i>	Before exceptional items £000	Exceptional items £000	Total 2011 £000	2010 £000
Turnover	2	18,525	-	18,525	15,036
Change in stocks of finished goods		234	-	234	(7)
Other operating income		126	-	126	23
		<u>18,885</u>	<u>-</u>	<u>18,885</u>	<u>15,052</u>
Raw materials and consumables		(14,212)	-	(14,212)	(11,419)
Staff costs	5	(1,653)	-	(1,653)	(1,514)
Depreciation and other amounts written off tangible and intangible fixed assets		(563)	-	(563)	(538)
Other operating charges (including exceptional items of £3,487,000 (2010 £Nil))		(1,674)	(3,487)	(5,161)	(1,642)
		<u>783</u>	<u>(3,487)</u>	<u>(2,704)</u>	<u>(61)</u>
Operating profit/(loss)					
Other interest receivable and similar income	6	85	-	85	61
Interest payable and similar charges	7	(112)	-	(112)	(89)
		<u>756</u>	<u>(3,487)</u>	<u>(2,731)</u>	<u>(89)</u>
Profit/(loss) on ordinary activities before taxation	3				
Tax on profit/(loss) on ordinary activities	8	(220)	474	254	(15)
		<u>536</u>	<u>(3,013)</u>	<u>(2,477)</u>	<u>(104)</u>
Profit/(loss) for the year					

All turnover and operating profit are derived from continuing operations in both the current and preceding years

The Company has no recognised gains or losses other than the losses for the year

Notes from page 11 to 21 form part of the financial statements

Balance sheet
 at 31 December 2011

	<i>Note</i>	2011 £000	2011 £000	2010 £000	2010 £000
Fixed assets					
Intangible assets	<i>9</i>		66		82
Tangible assets	<i>10</i>		2,985		3,442
			<u>3,051</u>		<u>3,524</u>
Current assets					
Stocks	<i>11</i>	897		475	
Debtors (including £Nil (2010 £1,909,000) due after more than one year)	<i>12</i>	3,007		5,708	
Cash at bank and in hand		24		140	
		<u>3,928</u>		<u>6,323</u>	
Creditors amounts falling due within one year	<i>13</i>	(5,102)		(4,755)	
			<u>(1,174)</u>		<u>1,568</u>
Net current (liabilities)/assets			<u>(1,174)</u>		<u>1,568</u>
Total assets less current liabilities			<u>1,877</u>		<u>5,092</u>
Creditors amounts falling due after more than one year	<i>14</i>		(958)		(1,441)
Provisions for liabilities and charges			-		(255)
			<u>919</u>		<u>3,396</u>
Net assets			<u>919</u>		<u>3,396</u>
Capital and reserves					
Called up share capital	<i>16</i>		1,000		1,000
Revaluation reserve	<i>17</i>		337		350
Profit and loss account	<i>17</i>		(418)		2,046
			<u>919</u>		<u>3,396</u>
Shareholders' funds	<i>18</i>		<u>919</u>		<u>3,396</u>

Notes from page 11 to 21 form part of the financial statements

These financial statements were approved by the board of directors on 28/9/2012 and were signed on its behalf by



D Blundell
 Director

Cash Flow Statement
for the year ended 31 December 2011

	<i>Note</i>	2011 £000	2011 £000	2010 £000	2010 £000
Reconciliation of operating profit to net cash flow from operating activities					
Operating loss			(2,704)		(61)
Depreciation and amortisation charges		563		538	
Amortisation of government grants		(39)		(20)	
(Increase)/decrease in stocks		(422)		151	
(Increase)/decrease in debtors		2,657		(722)	
(Increase)/decrease in creditors		301		780	
Taxation paid		-		(307)	
		<u> </u>	<u>3,060</u>	<u> </u>	<u>420</u>
Net cash inflow from operating activities			<u>356</u>		<u>359</u>
Cash flow statement					
Cash flow from operating activities			356		359
Capital expenditure and financial investment	20		(90)		(239)
Cash inflow before financing			<u>266</u>		<u>120</u>
Financing	20		(382)		(612)
Decrease in cash in the period			<u>(116)</u>		<u>(492)</u>
Reconciliation of net cash flow to movement in net debt					
		2011 £000		2010 £000	
Decrease in cash in the year			(116)		(492)
Cash inflow from increase borrowings – Bank finance on trade debtors			(174)		39
Cash outflow from decrease borrowings – Bank loan and overdraft repaid			93		231
Change in intercompany debt			45		(10)
Repayment of finance lease and hire purchase contracts			410		289
Movement in net debt in the year			<u>258</u>		<u>57</u>
Net debt at 31 December 2010			<u>(2,233)</u>		<u>(2,290)</u>
Net debt at 31 December 2011			<u>(1,975)</u>		<u>(2,233)</u>

Notes from page 11 to 21 form part of the financial statements

Note of historical cost profits and losses
at 31 December 2011

	2011 £000	2010 £000
Reported loss on ordinary activities before taxation	(2,731)	(89)
Difference between historical cost depreciation charge and actual depreciation charge calculated on revalued amount	8	8
Historical cost loss on ordinary activities before taxation	<u>(2,723)</u>	<u>(81)</u>
Historical cost loss for the year after taxation	<u>(2,469)</u>	<u>(96)</u>

Notes to the financial statements

(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 except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of land and buildings

As the company was a wholly-owned subsidiary of Plasticos International BV during the year ended 31 December 2011, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £1,174,000, which the directors believe to be appropriate as after making due enquiries and having reviewed the Company's forecasts and projections, taking into account reasonably possible changes in trading performance and availability of credit facilities, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	-	2 - 20% per annum
Plant and machinery	-	10 - 33 3% per annum
Fixtures and fittings	-	20 - 33 3% per annum

No depreciation is provided on freehold land

Costs include directly attributable finance costs

Foreign currencies

Transactions in foreign currencies are recorded using the previous month end rate to the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. Assets purchased under hire purchase agreements are depreciated over the useful economic life of the asset

Notes (continued)

1 Accounting policies (continued)

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed. Capitalisation ceases and amortisation begins when the product becomes available to customers. The amortisation period of these capitalised assets is from three to five years.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the actual cost is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the loss 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 FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Turnover is recognised on despatch.

2 Analysis of turnover

	2011 £000	2010 £000
<i>By geographical market</i>		
Sale of plastic products:		
United Kingdom	15,417	12,694
Overseas	3,108	2,342
	<hr/>	<hr/>
	18,525	15,036
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

3 Loss on ordinary activities before taxation

	2011 £000	2010 £000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	16	15
Other services relating to taxation	6	6
Depreciation and other amounts written off tangible fixed assets		
Owned	167	158
Leased	349	346
Hire of plant and machinery - rentals payable under operating leases	46	42
Hire of other assets - operating leases	111	111
Research and development		
Amortisation of deferred expenditure	47	34
Management charges payable to parent company	258	226
Exchange losses	2	-
<i>Exceptional Items</i>		
Impairment of intercompany debtors	3,487	-
<i>After crediting</i>		
Exchange gains	-	7
	<u> </u>	<u> </u>

An impairment charge of £3,487,000 was made during the year against receivables due from certain fellow group Companies due to the lack of financial resources of certain other group Companies. The tax impact of the impairment charge is a £474,000 credit to the corporation tax charge.

4 Remuneration of directors

	2011 £000	2010 £000
Directors' emoluments	325	334
Company contributions to money purchase schemes	41	27
	<u> </u>	<u> </u>
	<u>366</u>	<u>361</u>

Retirement benefits are accruing to two directors (2010 two) under money purchase schemes.

The aggregate of emoluments and amounts received under long term incentive schemes of the highest paid director was £185,000 (2010 £181,000).

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2011	2010
Administration	6	6
Production	50	49
Sales	3	3
	<u>59</u>	<u>58</u>

The aggregate payroll costs of these persons were as follows

	2011	2010
	£000	£000
Wages and salaries	1,460	1,335
Social security costs	151	142
Other pension costs	42	37
	<u>1,653</u>	<u>1,514</u>

6 Other interest receivable and similar income

	2011	2010
	£000	£000
Intercompany interest	85	54
Net exchange gains	-	7
	<u>85</u>	<u>61</u>

7 Interest payable and similar charges

	2011	2010
	£000	£000
On bank loans and overdrafts	87	55
Finance charges payable in respect of finance leases and hire purchase contracts	23	34
Net exchange losses	2	-
	<u>112</u>	<u>89</u>

Finance costs have been capitalised into tangible fixed assets at the cost incurred

Notes *(continued)*

8 Taxation

	2011	2010
	£000	£000
Current tax		
UK corporation tax at 26.5% (2010 28%)	-	-
Adjustment in respect of prior periods	1	(3)
Total current tax	<u>1</u>	<u>(3)</u>
Deferred tax		
Origination and reversal of timing differences	(255)	18
Tax on loss on ordinary activities	<u>(254)</u>	<u>15</u>

Factors affecting tax charge for the year

The UK corporation tax rate was reduced from 28% to 26% with effect from 1 April 2011. The standard rate of tax applied to the loss on ordinary activities before taxation is a hybrid rate of 26.5%. The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK 26.5% (2010 28%). The differences are explained below:

	2011	2010
	£000	£000
Loss on ordinary activities before tax	<u>(2,731)</u>	<u>(89)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	(724)	(25)
Effects of		
Other timing differences	(11)	6
Depreciation for year in excess of capital allowances	38	(17)
Adjustments in tax in respect of previous periods	2	(3)
Movement in tax losses	307	36
Expenses not deductible for tax purposes	389	-
Current tax charge for period	<u>1</u>	<u>(3)</u>

Factors affecting the future tax charge

The 2012 Budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective 1 April 2013) were substantively enacted on 26 March and 3 July 2012 respectively.

9 Intangible fixed assets

	Printing Plates	Development costs
	£000	£000
Cost or valuation		
At beginning of year	-	337
Additions	31	-
At end of year	<u>31</u>	<u>337</u>
Amortisation		
At beginning of year	-	255
Charge for year	13	34
At end of year	<u>13</u>	<u>289</u>
Net book value		
At 31 December 2011	<u>18</u>	<u>48</u>
At 31 December 2010	<u>-</u>	<u>82</u>

Notes (continued)

10 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<i>Cost or valuation</i>				
At beginning of year	683	7,163	145	7,991
Additions	-	50	9	59
Disposals	-	-	-	-
At end of year	683	7,213	154	8,050
<i>Depreciation</i>				
At beginning of year	77	4,338	134	4,549
Charge for year	25	484	7	516
Disposals	-	-	-	-
At end of year	102	4,822	141	5,065
<i>Net book value</i>				
At 31 December 2011	581	2,391	13	2,985
At 31 December 2010	606	2,825	11	3,442

Included in the total net book value of tangible fixed assets is £1,876,000 (2010 £2,225,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £349,000 (2010 £346,000)

Included within the cost of freehold land and buildings are depreciable assets of £621,000 (2010 £621,000)

The following information relates to tangible fixed assets carried on the basis of revaluation in accordance with FRS 15 Tangible Fixed Assets

Freehold land and buildings

	2011 £000
At open market value 9 February 2008 – Full	650
Aggregate depreciation thereon	(81)
Net book value	569
Historical cost of revalued assets	430
Aggregate depreciation thereon	(259)
Historical cost net book value	171

The full valuation was performed by Dixon Webb LLP, chartered surveyors. The land and buildings were last revalued at open market value in 2008

Notes (continued)

11 Stocks

	2011 £000	2010 £000
Raw materials and packaging	389	201
Finished goods and goods for resale	375	140
Engineering stocks and other consumables	133	134
	<u>897</u>	<u>475</u>

12 Debtors

	2011 £000	2010 £000
Trade debtors	1,802	1,703
Amounts owed by group undertakings	1,139	3,902
Prepayments	66	68
Social security and other taxes	-	35
	<u>3,007</u>	<u>5,708</u>

Included within Amounts owed by group undertakings is £Nil (2010 £1,909,000) falling due after more than one year

A deferred tax asset of £33,000 (2010 £Nil) in respect of trading losses has not been recognised in these financial statements as the recoverability of this asset is considered to be not sufficiently certain

13 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	52	98
Other loans	-	28
Obligations under finance leases and hire purchase contracts (see note 14)	397	409
Bank finance secured on trade debtors	729	555
Trade creditors	3,650	3,431
Amounts owed to group undertakings	-	45
Taxation and social security	118	75
Corporation tax	2	-
Accruals and deferred income	154	114
	<u>5,102</u>	<u>4,755</u>

The bank loan and overdraft facility are secured by a second legal charge on the freehold land and buildings of the company, and interest is charged at commercial rates

Notes (continued)

14 Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Bank loan	346	393
Obligations under finance leases and hire purchase contracts	475	873
Accruals and deferred income	137	175
	<u>958</u>	<u>1,441</u>

Accruals and deferred income represents income received from a Government grant

The bank loan is a mortgage secured by first charge upon the freehold land and buildings and interest is charged at commercial rates. Repayment is being made over a 10-year term by equal monthly instalments which are adjusted for changes in the base interest rate.

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2011 £000	2010 £000
Within 1 year	29	-
In the second to fifth years	843	1,282
Over 5 years	-	-
	<u>872</u>	<u>1,282</u>

15 Provisions for liabilities and charges

	Deferred taxation £000
At beginning of year	255
Credit to the profit and loss account in year	(255)
At end of year	<u>-</u>

The amounts provided for deferred taxation are set out below

	2011 £000	2010 £000
Difference between accumulated depreciation and capital allowances	275	295
Short term timing differences	(4)	(16)
Losses	(271)	(24)
At end of year	<u>-</u>	<u>255</u>

Notes *(continued)*

16 Called up share capital

	2011 £000	2010 £000
<i>Authorised</i> 1,000,000 ordinary shares of £1 each	1,000	1 000
<i>Allotted, called up and fully paid</i> 1,000,000 Ordinary shares of £1 each	1,000	1,000

17 Reserves

	Revaluation reserve £000	Profit and loss £000
At beginning of year	350	2,046
Loss for the year	-	(2,477)
Transfer	(13)	13
At end of year	337	(418)

18 Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Loss for the financial year	(2,477)	(104)
Opening shareholders' funds	3,396	3,500
Closing shareholders' funds	919	3,396

19 Commitments

(a) There were no capital commitments at the end of the financial year for which no provision has been made (2010 £Nil)

(b) Annual commitments under non-cancellable operating leases are as follows

	2011		2010	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
In the second to fifth years inclusive	22	46	22	25
Over five years	89	-	89	-
	111	46	111	25

Notes *(continued)*

20 Analysis of cash flows

	2011	2010
	£000	£000
Capital expenditure and financial investment		
Purchase of fixed assets	(90)	(434)
Government grants received	-	195
	<u>(90)</u>	<u>(239)</u>
Financing		
Increase in short-term borrowing	128	(199)
Repayment of long term debt	(483)	(545)
New bank loan	-	160
Interest paid	(112)	(89)
Interest received	85	61
	<u>(382)</u>	<u>(612)</u>

Analysis of changes in net debt

	At 1 January	Cash flow	At 31
	2011		December
	£000	£000	2011
			£000
Cash at bank and in hand	140	(116)	24
Overdrafts	(98)	46	(52)
	<u>42</u>	<u>(70)</u>	<u>(28)</u>
Debt due after one year	(393)	47	(346)
Debt due within one year	(555)	(174)	(729)
Intercompany debt	(45)	45	-
Finance leases	(1,282)	410	(872)
Net debt	<u>(2,233)</u>	<u>258</u>	<u>(1,975)</u>

21 Pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge for the period represents contributions payable by the Company to the fund and amounted to £41,000 (2010 £37,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes *(continued)*

22 Post balance sheet events

The Directors have been informed that on May 1, 2012 Plasticos Holding AG, the ultimate parent company, had been placed in administration

On August 20, 2012 as part of the sale of a fellow group company Alma Products Limited acquired 100% of the shares of sister company Alma Extrusions AG, Switzerland for zero consideration by way of a capital contribution by Plasticos International B V in the amount of €4,734,349

23 Ultimate parent company and parent undertaking of larger group of which the company is a member

During the year ended 31 December 2011, the Company was a subsidiary undertaking of Plasticos International BV, a company incorporated in The Netherlands. The largest group in which the results of the Company are consolidated is that headed by Plasticos Holding AG, the ultimate parent company, which was placed in administration in May 2012. No other group accounts include the results of the Company. The directors of the Company believe that HW Kessler was the ultimate controlling party by virtue of his holding in the share capital of the ultimate holding company, Plasticos Holding AG and of the immediate parent company, Plasticos International B V.