Alma Products Limited

Directors' report and financial statements

Registered number 01665868

For the year ended 31 December 2012

Contents

Directors' report

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

Principal activities

The principal activities of the Group and 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 Group and Company is involved in the use of recycled materials for non-food applications

Business review

In 2012 trading conditions in the plastics industry, not for the first time, proved to be challenging as polymer prices continued to increase In the case of polystyrene, the Company's primary raw material, prices increased by more than twenty-five percent during the year to an all-time record high

As previously reported the Company is able to pass through polymer price movements to its customer base, although with time delays Over the past few years management has actively worked to reduce such time delays to the minimum possible 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 2012 which are also expected to continue in 2013

The principal risks and uncertainties facing the Company continue to revolve around potentially 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 for the Company fell significantly from the previous financial year due to the loss of the Company's largest customer, announced at the end of 2011 and referred to and reported on in the 2011 Annual Report As previously mentioned this was a strategic decision taken by that customer to source the materials purchased from Alma Products from an associated company Despite the loss of this business and the exceptionally high raw material prices the Company reported a minor profit for the year

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 slowdown than other industrial companies/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 reasonably well

The Company continues to work on a number of new projects to provide the replacement revenue to compensate for the customer loss referred to above The directors are pleased to report that a new contract has been secured with a major European packaging group for the supply of extruded sheet This contract is for an extended period The scale-up for this new business commenced during the second quarter of 2013 but will not be fully on stream until the fourth quarter as some minor investments are required to existing machinery and equipment In addition the Company continues to focus on the manufacture of thermoformed articles as this is seen by the directors as the catalyst to ensuring future continued growth and stable profitability

Directors' report *(continued)*

As previously announced in last year's report on 20th August 2012 as part of the sale of a former group company Alma Products Limited acquired 100% of the shares of Alma Extrusions AG, Switzerland by way of a capital contribution by Plasticos International B V. in the amount of €4,734,000 (£3,720,000) After review the Directors decided to adopt a prudent approach and make a fair value adjustment at the date of acquisition and reduce the value recorded in its financial statements to £2,383 000

Alma Extrusions AG is a niche market player, predominantly producing specialist high added value multi-layer extruded sheet primarily for long shelf life applications Since the date of acquisition the Company has performed in line with management expectations and contributed £17,000 to the overall net financial result The year 2012 has been largely a transitional year with extensive development work being completed on a number of new projects Management is pleased to report that one such key project has come to fruition which will have a significant positive impact on the future profitability of this business

The directors remain confident in the company's future growth potential As of the date of this report J S Dick was the sole shareholder of the Company

The consolidated result before taxation for the year ended 31 December 2012, before exceptional items of £Nil *(2011 £3,487,000)*, was a profit of £65,000 *(2011 £756,000)* A dividend of £nil (2011 £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 auditor

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 auditor is 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 auditor is aware of that information

Auditor

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

By order of the board

D Blundell
Secretary

18b Evenwood Close
Daresbury Court
Manor Park
Runcorn
Cheshire
WA7 1LZ

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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities

KPMG

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 2012 set out on pages 6 to 24 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 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 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 web-site 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 group's and of the parent company's affairs as at 31 December 2012 and of the group's 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 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

H Jones.

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

30 September 2013

Consolidated Profit and Loss Account

for the year ended 31 December 2012

	Note	Group 2012 £000	Group 2012 £000	Group 2011 £000	Group 2011 £000
Group turnover	*2,3*				
Continuing operations		**9,468**		18,525	
Acquisitions		**3,614**		-	
			13,082		18,525
Change in stocks of finished goods			**(282)**		234
Other operating income			**151**		126
			12,951		18,885
Raw materials and consumables			**(8,916)**		(14,212)
Staff costs	*4,5*		**(1,924)**		(1,653)
Depreciation and other amounts written off tangible and intangible fixed assets	*3*		**(746)**		(563)
Other operating charges (including exceptional items of £Nil (*2011 £3,487,000*))	*3*		**(1,321)**		(5,161)
Group operating profit/(loss)	*3*				
Continuing operations		**14**		(2,704)	
Acquisitions		**30**		-	
			44		(2,704)
Interest receivable and similar income	*6*		**101**		85
Interest payable and similar charges	*7*		**(81)**		(112)
Profit/(loss) on ordinary activities before taxation	*2-7*		**64**		(2,731)
Tax on profit/(loss) on ordinary activities	*8*		**(1)**		254
Profit/(loss) for the financial year			**65**		(2,477)

The turnover and operating profits are derived from continuing operations in both the current and preceding years

Notes from pages 11 to 24 form part of the financial statements

Consolidated Balance Sheet
at 31 December 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Intangible assets	*9*	62		66	
Tangible assets	*10*	4,825		2,985	
			4,887		3,051
Current assets					
Stocks	*12*	1,281		897	
Debtors	*13*	3,415		3,007	
Cash at bank and in hand		452		24	
		5,148		3,928	
Creditors amounts falling due within one year	*14*	(5,749)		(5,102)	
Net current liabilities			(601)		(1,174)
Total assets less current liabilities			4,286		1,877
Creditors. amounts falling due after more than one year	*15*		(879)		(958)
Provisions for liabilities	*16*		-		-
Net assets			3,407		919
Capital and reserves					
Called up share capital	*18*		1,000		1,000
Capital contribution			2,383		-
Revaluation reserve	*19*		325		337
Profit and loss account	*19*		(301)		(418)
Equity			3,407		919

These financial statements were approved by the board of directors on 30 September 2013 and were signed on its behalf by

D Blundell

D Blundell
Director

Company Balance Sheet
at 31 December 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Intangible assets	9	28		66	
Investments	11	2,383		-	
Tangible assets	10	2,279		2,985	
			4,690		3,051
Current assets					
Stocks	12	526		897	
Debtors	13	2,245		3,007	
Cash at bank and in hand		325		24	
		3,096		3,928	
Creditors amounts falling due within one year	14	(3,961)		(5,102)	
Net current liabilities			(865)		(1,174)
Total assets less current liabilities			3,825		1,877
Creditors. amounts falling due after more than one year	15		(476)		(958)
Provisions for liabilities	16		-		-
Net assets			3,349		919
Capital and reserves					
Called up share capital	18		1,000		1,000
Capital contribution			2,383		-
Revaluation reserve	19		325		337
Profit and loss account	19		(359)		(418)
Equity			3,349		919

These financial statements were approved by the board of directors on 30 September 2013 and were signed on its behalf by

D Blundell

D Blundell
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2012

	Note	Group 2012 £000	Group 2012 £000	Group 2011 £000	Group 2011 £000
Reconciliation of operating profit to net cash flow from operating activities					
Operating profit (loss)			44		(2,704)
Depreciation and amortisation charges		746		563	
Amortisation of government grants		(38)		(39)	
Decrease/(Increase) in stocks		443		(422)	
Decrease in debtors		444		2,657	
(Increase)/Decrease in creditors		(1,157)		301	
Loss on disposal of fixed assets		128		-	
			566		3,060
Net cash inflow from operating activities			610		356

Consolidated cash flow statement

	Note	2012	2011
Cash flow from operating activities		610	356
Capital expenditure and financial investment	22	(8)	(90)
Cash inflow before financing		602	266
Financing	22	(174)	(382)
Increase / (decrease) in cash in the period		428	(116)

Reconciliation of net cash flow to movement in net debt

	2012 £000	2011 £000
Increase / (decrease) in cash in the year	428	(116)
Cash inflow from increase in borrowings – Bank finance on trade debtors	(443)	(174)
Cash outflow from decrease in borrowings – Bank loan and overdraft repaid	191	93
Change in intercompany debt	-	45
Repayment of finance lease and hire purchase contracts	394	410
Loans and finance leases acquired on acquisition	(938)	-
Movement in net debt in the year	(368)	258
Net debt at 31 December 2011	(1,975)	(2,233)
Net debt at 31 December 2012	(2,343)	(1,975)

Note of Consolidated Historical Cost Profits and Losses
for the year ended 31 December 2012

	2012 £000	2011 £000
Reported profit/(loss) on ordinary activities before taxation	**64**	(2,731)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	**12**	12
Historical cost profit/(loss) on ordinary activities before taxation	**76**	(2,719)
Historical cost profit/(loss) for the year retained after taxation	**75**	(2,465)

Statement of Consolidated Total Recognised Gains and Losses
for the year ended 31 December 2012

	2012 £000	2011 £000
Profit for the financial year	**65**	(2,477)
Foreign exchange gains on translation of foreign subsidiary	**40**	-
Net profits recognised directly in equity	**105**	(2,465)
Total recognised profit relating to the financial year	**105**	(2,465)

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 financial statements except as noted below

Basis of preparation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December 2012 The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £601,000, 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

The directors have adopted a policy of revaluation to freehold land and buildings These financial statements incorporate a professional valuation of land and buildings, which was undertaken as at 2008

Any surplus over net book values arising from the revaluation of fixed assets is credited to a revaluation reserve Any deficit from net book values is charged to the profit and loss account unless the deficit is matched by a previous revaluation surplus on the same asset To the extent that the depreciation charge for the year relates to an unrealised surplus, a transfer is made from the revaluation reserve to the profit and loss account

Depreciation is provided to write off the cost or valuation 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 date 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 and losses on translation are included in the profit and loss account

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rate and the profit and loss accounts are translated at the average rate Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings

Notes

(forming part of the financial statements)

1 Accounting policies *(continued)*

Post retirement benefits

The Group operates a defined contribution pension scheme The assets of the scheme are held separately from those of the Group in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Leases

Assets acquired under finance leases are capitalised and 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

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

Notes *(continued)*

2 Analysis of turnover

	Group 2012 £000	2011 £000	Company 2012 £000	2011 £000
By geographical market				
Sale of plastic products:				
United Kingdom	**8,425**	15,417	**8,425**	15,417
Overseas	**4,657**	3,108	**1,043**	3,108
	13,082	18,525	**9,468**	18,525

3 Profit/(loss) on ordinary activities before taxation

	Group 2012 £000	Group 2011 £000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration		
Audit of these financial statements	**16**	16
Other services relating to taxation	**6**	6
Depreciation and other amounts written off tangible fixed assets		
Owned	**299**	167
Leased	**409**	349
Amortisation of government grant	**(38)**	(37)
Hire of plant and machinery - rentals payable under operating leases	**46**	46
Hire of other assets - operating leases	**111**	111
Research and development		
Amortisation of deferred expenditure	**38**	47
Management charges	**123**	258
Exchange losses	**-**	2
Exceptional Items		
Impairment of intercompany debtors	**-**	3,487
After crediting		
Exchange gains	**37**	-

An impairment charge of £nil *(2011 £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 was a £474,000 credit to the corporation tax charge in the prior year

Notes *(continued)*

4 Remuneration of directors

	Group 2012 £000	Group 2011 £000
Directors' emoluments	**320**	325
Company contributions to money purchase schemes	**46**	41
	366	366

Retirement benefits are accruing to two directors *(2011 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 *(2011 £185,000)*

5 Staff numbers and costs

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

	Number of employees Group 2012	Group 2011
Administration	**8**	6
Production	**64**	50
Sales	**3**	3
	75	59

The aggregate payroll costs of these persons were as follows

	Group 2012 £000	Group 2011 £000
Wages and salaries	**1,676**	1,460
Social security costs	**202**	151
Other pension costs	**46**	42
	1,924	1,653

6 Other interest receivable and similar income

	Group 2012 £000	Group 2011 £000
Intercompany interest	**64**	85
Net exchange gains	**37**	-
	101	85

Notes *(contınued)*

7 Interest payable and similar charges

	Group 2012 £000	Group 2011 £000
On bank loans and overdrafts	67	87
Fınance charges payable ın respect of finance leases and hıre purchase contracts	14	23
Net exchange losses	-	2
	81	112

8 Taxation

	Group 2012 £000	Group 2011 £000
Current tax		
UK corporatıon tax at 24 5% *(2011 26 5%)*	-	-
Overseas tax	(1)	-
Adjustment ın respect of prıor perıods	-	1
Total current tax	(1)	1
Deferred tax		
Orıgınatıon and reversal of tımıng dıfferences	-	(255)
Tax on profit/(loss) on ordinary activitıes	(1)	(254)

Factors affecting tax charge for the year

The standard rate of tax applıed to the profit/loss on ordınary actıvıtıes before taxatıon ıs a hybrıd rate of 24 5% The current tax charge for the perıod ıs lower (2011 hıgher than) the standard rate of corporatıon tax ın the UK durıng the year of 24 5% (2011 26 5%) The dıfferences are explaıned below

	2012 £000	2011 £000
Profit/(loss) on ordınary actıvıtıes before taxatıon	64	(2,731)
Loss on ordınary actıvıtıes multıplıed by the standard rate of corporatıon tax ın the UK of 24 5% *(2011 26 5%)*	16	(724)
Effects of		
Other tımıng dıfferences	-	(11)
Deprecıatıon for year ın excess of capıtal allowances	77	38
Adjustments ın tax ın respect of prevıous perıods	1	2
Movement ın tax losses	(82)	307
Expenses not deductıble for tax / ıncome not taxable	(10)	389
Dıfference ın overseas tax rate	(3)	-
Current tax charge for period	(1)	1

Factors affecting the future tax charge

Reductıons ın the UK corporatıon tax rate from 26% to 24% (effectıve from 1 Aprıl 2012) and to 23% (effectıve 1 Aprıl 2013) were substantıvely enacted on 26 March 2012 and 3 July 2012 respectıvely Further reductıons to 21% (effectıve from 1 Aprıl 2014) and 20% (effectıve from 1 Aprıl 2015) were substantıvely enacted on 2 July 2013 Thıs wıll reduce the company's future current tax charge accordıngly

Notes *(continued)*

9 Intangible fixed assets

Group

	Marketable Securities	Printing Plates	Development costs	Total
	£000	£000	£000	£000
Cost or valuation				
At beginning of year	-	31	337	368
Acquired in business combination	34	-	-	34
At end of year	**34**	**31**	**337**	**402**
Amortisation				
At beginning of year	-	13	289	302
Charge for year	-	13	25	38
At end of year	**-**	**26**	**314**	**340**
Net book value				
At 31 December 2012	**34**	**5**	**23**	**62**
At 31 December 2011	-	18	48	66

Company

	Printing Plates	Development costs	Total
	£000	£000	£000
Cost or valuation			
At beginning of year	31	337	368
At end of year	**31**	**337**	**368**
Amortisation			
At beginning of year	13	289	302
Charge for year	13	25	38
At end of year	26	**314**	**340**
Net book value			
At 31 December 2012	**5**	**23**	**28**
At 31 December 2011	18	48	66

Notes *(continued)*

10 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At beginning of year	683	7,213	154	8,050
Acquired in business combination	697	2,018	1	2,716
Additions	9	20	-	29
Disposals	-	-	(10)	(10)
At end of year	**1,389**	**9,251**	**145**	**10,785**
Depreciation				
At beginning of year	102	4,822	141	5,065
Charge for year	53	647	8	708
Impairment losses	-	197	-	197
Disposals	-	-	(10)	(10)
At end of year	**155**	**5,666**	**139**	**5,960**
Net book value				
At 31 December 2012	**1,234**	**3,585**	**6**	**4,825**
At 31 December 2011	581	2,391	13	2,985

Included in the total net book value of tangible fixed assets is £1,909,000 *(2011 £1,876,000)* in respect of assets held under finance leases and similar hire purchase contracts Depreciation for the year on these assets was £509,000 *(2011 £349,000)*

Company	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At beginning of year	683	7,213	154	8,050
Additions	-	18	-	18
Disposals	-	-	(10)	(10)
At end of year	**683**	**7,231**	**144**	**8,058**
Depreciation				
At beginning of year	102	4,822	141	5,065
Charge for year	22	498	7	527
Impairment losses	-	197	-	197
Disposals	-	-	(10)	(10)
At end of year	**124**	**5,517**	**138**	**5,779**
Net book value				
At 31 December 2012	**559**	**1,714**	**6**	**2,279**
At 31 December 2011	581	2,391	13	2,985

Notes *(continued)*

10 Tangible fixed assets (continued)

Included in the total net book value of tangible fixed assets is £1,310,000 *(2011 £1,876,000)* in respect of assets held under finance leases and similar hire purchase contracts Depreciation for the year on these assets was £359,000 *(2011 £349,000)*

Included within the cost of freehold land and buildings are depreciable assets of £621,000 *(2011 £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

Group and Company	**2012** **£000**
At open market value	
9 February 2008 – Full	650
Aggregate depreciation thereon	(107)
Net book value	**543**
Historical cost of revalued assets	430
Aggregate depreciation thereon	(265)
Historical cost net book value	**165**

The full valuation was performed by Dixon Webb LLP, chartered surveyors The land and buildings were last revalued at open market value in 2008 The directors are of the opinion that there is no material difference between market value and the amounts at which freehold land and buildings have been recorded at the balance sheet date

11 Fixed asset investments

On 20th August 2012 the Company acquired all of the shares of Alma Extrusions AG, Switzerland The principal undertakings in which the Company's interest at the year end is more than 20% are as follows

	Country of incorporation	**Principal activity**	**Class and percentage of shares held Company**
Subsidiary undertakings			
Alma Extrusions AG	Switzerland	Manufacturing	100% Ordinary

12 Stocks

	Group **2012** **£000**	2011 £000	**Company** **2012** **£000**	2011 £000
Raw materials and packaging	**758**	389	**243**	389
Finished goods and goods for resale	**238**	375	**155**	375
Engineering stocks and other consumables	**285**	133	**128**	133
	1,281	897	**526**	897

Notes *(continued)*

13 Debtors

	Group 2012 £000	2011 £000	Company 2012 £000	2011 £000
Trade debtors	**3,286**	1,802	**2,218**	1,802
Amounts owed by group undertakings	**-**	1,139	**-**	1,139
Social security and other taxes	**66**	-	**-**	-
Prepayments and other debtors	**63**	66	**27**	66
	3,415	3,007	**2,245**	3,007

A deferred tax asset of £33,000 (*2011* £33,000) 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

14 Creditors: amounts falling due within one year

	Group 2012 £000	2011 £000	Company 2012 £000	2011 £000
Bank loans and overdrafts	**380**	52	**49**	52
Obligations under finance leases and hire purchase contracts (see note 15)	**423**	397	**355**	397
Bank finance secured on trade debtors	**1,172**	729	**1,172**	729
Trade creditors	**3,426**	3,650	**2,182**	3,650
Taxation and social security	**123**	118	**123**	118
Corporation tax	**59**	2	**-**	2
Accruals and deferred income	**166**	154	**80**	154
	5,749	5,102	**3,961**	5,102

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)*

15 Creditors: amounts falling due after more than one year

	Group 2012 £000	2011 £000	Company 2012 £000	2011 £000
Bank loan	**698**	346	**295**	346
Obligations under finance leases and hire purchase contracts	**122**	475	**122**	475
Accruals and deferred income	**59**	137	**59**	137
	879	958	**476**	958

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

	Group 2012 £000	2011 £000	Company 2012 £000	2011 £000
Within one year	**106**	29	**38**	29
In the second to fifth years	**439**	843	**439**	843
Over five years	-	-	-	-
	545	872	**477**	872

16 Provisions for liabilities

	Deferred taxation £000
Group	
At beginning of year	-
Credit to the profit and loss for the year	-
At end of year	-

The elements of deferred taxation are as follows

	2012 £000	2011 £000
Difference between accumulated depreciation and amortisation and capital allowances	-	275
Other timing differences	-	(4)
Tax losses	-	(271)
At end of year	-	-

Notes *(continued)*

17 Acquisitions

On 20th August 2012 the Company acquired all of the shares of Alma Extrusions AG, by way of a capital contribution from Switzerland from its parent undertaking Plasticos International B V

	Book value £000	Other adjustments £000	Fair value £000
Fixed assets			
Intangible	792	(758)	34
Tangible	2,670	-	2,670
Current assets			
Stock	900	(73)	827
Debtors	1,267	(425)	842
Cash	18	-	18
Total assets	5,647	(1,256)	4,391
Liabilities			
Creditors	2,008	-	2,008
Total liabilities	2,008	-	2,008
Net assets	3,639	(1,256)	2,383
Goodwill			-
Purchase consideration and costs of acquisition			2,383

The acquired undertaking generated a loss of £1,361,000 from the beginning of its financial year to the date of acquisition During this period the acquired undertaking generated revenue of £5,278,000, an operating loss of £38,000 with an exceptional charge to the accounts £1,256,000 in relation to write down of intangible assets In its previous financial year commencing on 1st January 2011 the acquired undertaking generated a loss of £615,000

18 Called up share capital

	2012 £000	2011 £000
Authorised		
1,000,000 ordinary shares of £1 each		
	1,000	1,000
Allotted, called up and fully paid	**1,000**	1,000
1,000,000 Ordinary shares of £1 each		

Notes *(continued)*

19 Share premium and reserves

Group	Revaluation reserve	Profit and loss account
	£000	£000
At beginning of year	337	(418)
Profit/(loss) for the year	-	65
Exchange gain	-	40
Transfers	(12)	12
At end of year	**325**	**(301)**

Company	Revaluation reserve	Profit and loss account
	£000	£000
At beginning of year	337	(418)
Profit for the year	-	47
Transfers	(12)	12
At end of year	**325**	**(359)**

20 Pension scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £46,000 *(2011 £41,000)* There were no outstanding or prepaid contributions at either the beginning or end of the financial year

21 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Profit/(loss) for the financial year	**65**	(2,477)
Exchange gains	**40**	-
Capital contribution	**2,383**	-
Opening shareholders' funds	**919**	3,396
Closing shareholders' funds	**3,407**	919

Notes *(continued)*

22 Analysis of cash flows

Investing	2012 £000	2011 £000
Purchase of fixed assets	**(26)**	(90)
Proceeds from acquisition	**18**	-
	(8)	(90)

Financing		
Increase in short-term borrowing	**467**	128
Repayment of long term debt	**(661)**	(483)
New bank loan	-	-
Interest paid	**(81)**	(112)
Interest received	**101**	85
	(174)	(382)

23 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2012 Land and buildings	**2012 Other**	2011 Land and Buildings	2011 Other
Group and Company	**£000**	**£000**	£000	£000
Operating leases which expire				
Within one year	**6**	**16**	22	46
In the second to fifth years inclusive	**89**	**11**	-	-
Over five years	-	-	89	-
	95	**27**	111	46

24 Analysis of changes in net debt

	At 1 January 2012	**Cash flow**	**At 31 December 2012**
	£000	**£000**	**£000**
Cash at bank and in hand	24	428	**452**
Overdrafts	(52)	(10)	**(62)**
	(28)	418	**390**
Debt due after one year	(346)	(352)	**(698)**
Debt due within one year	(729)	(761)	**(1,490)**
Finance leases	(872)	327	**(545)**
Net debt	(1 975)	(368)	**(2,343)**

Notes *(continued)*

25 Related Party Disclosure

As at the year end the director J S Dick owed Alma Products Limited a balance amounting to €20,953 (£16,990) in relation to the acquisition of Alma Products Limited from Plasticos International B V

As at the year end the director J S Dick owed Alma Extrusions AG a balance amounting to €26,037 (£21,112) in relation to the acquisition of Alma Products Limited from Plasticos International B V