Registered no: 193946

Afon Tinplate Company Limited

Annual report
for the year ended 31 December 2001

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Report of the directors for the year ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities

The profit and loss account for the year is set out on page 5.

The principal activities of the company continue to be that of tinplate processing, printing and lacquering.

Review of business and future developments

Trading conditions in the United Kingdom and European markets serviced by the company continued to be difficult due to the strength of sterling. However, the directors are satisfied with the financial performance of the company during the year and with its financial position at 31 December 2001.

Dividends and transfers to reserves

In view of the losses incurred during the financial year no dividends have been proposed or declared by the directors in respect of the year ended 31 December 2001 (2000: £156,000). The loss of £1,000 (2000: profit £156,000) has been transferred to reserves.

Fixed assets

The movements in tangible fixed assets during the year are set out in note 10 to the financial statements.

Directors

The directors of the company at 31 December 2001, and for the whole of the year then ended, except where indicated, are listed below:

Dr A L Vickers - Chairman
W W Boyd - Managing Director
A K Barnett
J P Deer
J R Liguz
A F Moshiri
S A Parsell
I Falconer (appointed 20 July 2001)

On 2 March 2001 Mr I P Spratling who was a director passed away. Mr Spratling's contribution to the company was invaluable and his leadership and guidance during testing times for the company and the industry were much appreciated.

Directors (continued)

Mr R L Tesh who was a director at 31 December 2000, ceased to be a director on 31 December 2001 and Mr A K Barnett ceased to be a director on 31 January 2002. The board of directors wish to place on record their thanks for the contribution both Mr Tesh and Mr Barnett made to the company.

Subsequent to the end of the financial year, Mr R W Maxwell was appointed as a director on 1 January 2002.

Directors' interests in shares of the company

None of the directors had any interest in the shares of the company at 31 December 2001 and 31 December 2000.

Directors' interests in contracts

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

Donations

The company made charitable donations during the financial year of £418 to several UK based organisations.

Creditor payment policy

The company agrees payment terms with its suppliers when it enters into binding purchase contracts. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. The company had 46 days purchases outstanding at 31 December 2001 (2000: 33 days) based on the average daily amount invoiced by suppliers during the year ended 31 December 2001.

The Euro

The company has adapted its commercial and financial processes so that it can do business in the Euro as it is introduced in some countries. The capability to conduct business in national currencies will be retained as long as necessary. The costs associated with these changes are not considered to be significant.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board

Susan Russell

Company secretary

Statement of directors' responsibilities for preparing the financial statements

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss and total recognised gains or losses of the company for that year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made, in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

By order of the board

Susan Parsell

Company secretary

Independent auditors' report to the members of Afon Tinplate Company Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes which have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Swansea, 15 March 2002

Profit and loss account for the year ended 31 December 2001

	Notes	2001	2000 (restated)
		£'000	£'000
Turnover	2	**16,174**	19,301
Cost of sales		**(14,469)**	(16,990)
Gross profit		**1,705**	2,311
Net operating expenses	3	**(1,652)**	(1,855)
Other operating income		**16**	25
Operating profit	4	**69**	481
Interest receivable		**7**	8
Interest payable and similar charges	7	**(91)**	(74)
(Loss)/profit on ordinary activities before taxation		**(15)**	415
Tax credit/(charge) on (loss)/profit on ordinary activities	8	**14**	(103)
(Loss)/profit on ordinary activities after taxation		**(1)**	312
Dividends (including dividends in respect of non equity shares)	9	**-**	(156)
(Loss)/profit for the year		**(1)**	156

Statement of retained profits

	Notes	2001	2000
Retained profits at 1 January 2001 as previously reported		**3,192**	3,403
Prior year adjustment - FRS 19	15	**-**	(367)
Retained profits at 1 January 2001 as restated		**3,192**	3,036
(Loss)/profit for the year		**(1)**	156
Retained profits at 31 December 2001		**3,191**	3,192

The prior year adjustment relates to the implementation of FRS 19. The adoption of FRS 19 has resulted in an increase in taxation provisions in prior years of £367,000.

There were no discontinued operations in the year.

Statement of total recognised gains and losses

	2001 £'000	2000 £'000
(Loss)/profit for the year	(1)	156
Total recognised losses and gains in the year	(1)	156

There were no other recognised gains or losses relating to the year

Note of historical cost profits and losses for the year ended 31 December 2001

	2001 £'000	2000 £'000
(Loss)/profit on ordinary activities before taxation	(15)	415
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	10	10
Historical cost (loss)/profit on ordinary activities before taxation	(5)	425
Historical cost profit for the year retained after tax and dividends	9	166

Reconciliation of movements in shareholders' funds

	2001 £'000	2000 (restated) £'000
(Loss)/profit for the financial year	(1)	156
Opening shareholders' funds	5,940	5,784
Closing shareholders' funds	5,939	5,940

Balance sheet
at 31 December 2001

	Notes	2001	2000 (restated)
		£'000	£'000
Fixed assets			
Tangible assets	10	3,874	3,438
Current assets			
Stocks	11	1,973	2,456
Debtors	12	3,577	4,709
Cash at bank and in hand		199	204
		5,749	7,369
Creditors: amounts falling due within one year	13	(2,919)	(4,386)
Net current assets		2,830	2,983
Total assets less current liabilities		6,704	6,421
Creditors: amounts falling due after more than one year	14	(283)	(3)
Provision for liabilities and charges	15	(482)	(478)
Net assets		5,939	5,940
Capital and reserves			
Called up share capital	16	1,000	1,000
Share premium account		759	759
Revaluation reserve	17	989	989
Profit and loss account		3,191	3,192
Total shareholders' funds		5,939	5,940
Equity shareholders' funds		4,276	4,277
Non equity shareholders' funds		1,663	1,663
		5,939	5,940

The financial statements on pages 5 to 20 were approved by the board of directors on 15 March 2002 and were signed on its behalf by:

Directors

Cash flow statement for the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
Cash inflow from operating activities	21	**2,080**	202
Returns on investment and servicing of finance	22	**(128)**	(83)
Taxation paid		**(23)**	(18)
Capital expenditure	22	**(12)**	(453)
		1,917	(352)
Equity dividends paid		**(112)**	(45)
Financing	22	**(82)**	145
Increase/(decrease) in cash		**1,723**	(252)

Reconciliation of net cash flow to movement in net debt

	Notes	2001 £'000	2000 £'000
Increase/(decrease) in cash in the year		**1,723**	(252)
Cash inflow from increase in debt and lease financing	23	**(649)**	(151)
Movement in net debt resulting from cash flows in the year		**1,074**	(403)
Net debt at 1 January 2001		**(1,990)**	(1,587)
Net debt at 31 December 2001	23	**(916)**	(1,990)

Notes to the financial statements for the year ended 31 December 2001

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

Changes in accordance with new Accounting Standards

During the year the following financial reporting standards (FRS) issued by the Accounting Standards Board became effective for the Company's financial statements:

- FRS 17 - 'Retirement benefits'
- FRS 18 - 'Accounting policies'
- FRS 19 - 'Deferred tax'

The financial reporting standards have been reflected in these financial statements where applicable. Changes in accounting policies and certain disclosures have been made to comply with these financial reporting standards. The adoption of FRS 19 in these financial statements represents a change in accounting policy and the comparative figures have been restated accordingly.

A summary of the more important accounting policies which have been applied consistently, with the exception of the changes arising on the adoption of new Accounting Standards in the year, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

The company has adopted the option within the transitional arrangements of Financial Reporting Standard 15 (FRS 15): Tangible fixed assets to retain the book value of fixed assets, at their previously revalued amounts. No further revaluations will be undertaken.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

The principal residual values and useful lives used are:

	Residual value % of cost	Lifespan years
Motor vehicles	20	4
Plant and machinery	0-5	3-15

The leasehold premises are written off over the remaining period of the lease.

Freehold land is not depreciated.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. In general, cost is determined on a first in first out basis, and includes transport and handling costs; in the case of work in progress and finished goods, cost includes all direct expenditure. Net realisable value is the price at which the stock can be realised in the normal course of business after allowing for the costs of realisation. Provision is made, where necessary, for slow moving, obsolescent and defective stocks.

Foreign currencies

Transactions in foreign currency are translated using the rate prevailing at the transaction date. Assets and liabilities denominated in foreign currency are translated at the year end exchange rate. Differences arising on foreign exchange transactions are taken to the profit and loss account in the year in which they arise.

Pension arrangements

The company participates in a defined contribution money purchase scheme (see note 18). The charge against profits represents the contributions payable to the pension scheme in respect of the accounting period.

Hire purchase and finance lease agreements

Hire purchase and finance lease agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the hire purchase and finance lease commitments are shown as obligations under hire purchase and finance lease agreements.

Deferred taxation

Provision for deferred taxation is made in respect of all timing differences that have originated but not reversed by the balance sheet date. Timing differences represent differences between gains and losses recognised for tax purposes in periods different from those in which they are recognised in financial statements. No deferred tax is recognised on permanent differences between the company's taxable gains and losses and its results as stated in the financial statements. Deferred tax assets and liabilities are included without discounting.

2 Turnover

The company's turnover arose entirely from the principal activities of tinplate processing, printing and lacquering. The geographical analysis of the company's turnover by destination is as follows:

	2001	2000
	£'000	£'000
European Community	**15,770**	18,832
Rest of World	**404**	469
	16,174	19,301

3 Net operating expenses

Net operating expenses are made up as follows:

	2001	2000
	£'000	£'000
Distribution costs	**926**	1,138
Administrative expenses	**726**	717
Net operating expenses	**1,652**	1,855

4 Operating profit

Operating profit is stated after charging:

			2001	2000
			£'000	£'000
Depreciation charge for the year				
Tangible fixed assets	-	owned	**269**	261
	-	under finance leases and purchase contracts	**35**	-
Loss on disposal of tangible fixed assets			**3**	-
Auditors' remuneration for audit			**14**	14

Remuneration of the company's auditors for non-audit services to the company was £5,000. This includes taxation compliance work.

5 Directors' emoluments

	2001	2000
	£'000	£'000
Aggregate emoluments	262	260
Sums paid to third parties for directors services	68	67
Pension contributions to money purchase schemes	23	34

At the end of the financial year, four directors were participating in defined contribution pension schemes

	2001	2000
	£'000	£'000
Highest paid director:		
Emoluments	74	67
Pension contributions paid to a money purchase scheme in respect of the highest paid director	-	-

6 Employee information

The average weekly number of persons employed by the company during the year, including executive directors and excluding non-executive directors, is analysed below:

	2001	2000
	Number	Number
Production	71	72
Sales and administration	10	10
Executive directors	5	5
	86	87

Employment costs - all employees including executive directors:

	2001	2000
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	1,969	1,986
Social security costs	185	193
Other pension costs (see note 18)	131	158
	2,285	2,337

7 Interest payable and similar charges

	2001	2000
	£'000	£'000
On bank loans, overdrafts and other loans		
Repayable within 5 years not by instalments	58	73
On hire purchase and finance lease contracts	33	1
	91	74

8 Tax credit/(charge) on (loss)/profit on ordinary activities

	2001	2000
	£'000	£'000
UK corporation tax at 30% (2000: 30%)	3	(135)
Over provision in respect of previous years - corporation tax	15	-
UK deferred tax (see note 15)	(4)	32
	14	(103)

The tax for the year is higher (2000: lower) than the standard rate of corporation tax applying in the United Kingdom (30%). The differences are explained below:

	2001	2000
	£'000	£'000
(Loss)/profit on ordinary activities before tax	(15)	415
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2000: 30%)	5	(125)
Effects of:		
Expenses not deductible for tax purposes	10	-
Accelerated capital allowances and other timing differences	(12)	22
Adjustments to tax charges in respect of previous years	15	-
Current tax credit/(charge) for the year	18	(103)

9 Dividends

	2001	2000
	£'000	£'000
Dividends on non-equity shares		
Preference shares		
Final dividend proposed	-	43
Dividends on equity shares		
Ordinary shares		
Final dividend of Nil per share proposed (2000: 16.3p per share)	-	113
	-	156

10 Tangible fixed assets

	Freehold land £'000	Long leasehold buildings £'000	Plant & machinery £'000	Motor vehicles £'000	Total £'000
Cost or valuation (see below)					
At 1 January 2001	10	1,282	4,157	141	5,590
Additions	-	-	732	15	747
Disposals	-	-	(147)	(17)	(164)
At 31 December 2001	**10**	**1,282**	**4,742**	**139**	**6,173**
Depreciation					
At 1 January 2001	-	95	2,004	53	2,152
Charge for the year	-	13	260	31	304
Disposals	-	-	(144)	(13)	(157)
At 31 December 2001	**-**	**108**	**2,120**	**71**	**2,299**
Net book value					
At 31 December 2001	**10**	**1,174**	**2,622**	**68**	**3,874**
At 31 December 2000	10	1,187	2,153	88	3,438

The net book value includes £702,779 in respect of assets held under hire purchase and finance lease agreements (2000: £7,167). The depreciation charge relating to these assets during the year was £35,207 (2000: £333).

The freehold and leasehold land and buildings are included in the financial statements at a valuation undertaken on 15 September 1994. This valuation was carried out by Rees & Chesterton, a firm of independent surveyors. The freehold land has been valued in the financial statements at estimated realisable value, and the leasehold land and buildings at open market value with existing use. The valuation has not been updated since 1994. The historic cost and depreciation of the revalued leasehold land and buildings are:

	Long leasehold buildings £'000
Historic cost	369
Aggregate depreciation based on cost	(122)
Net book value based on historical cost	247

11 Stocks and work in progress

	2001 £'000	2000 £'000
Raw materials and consumables	**1,251**	1,669
Work in progress	**269**	278
Finished goods	**453**	509
	1,973	2,456

12 Debtors: amounts falling due within one year

	2001 £'000	2000 £'000
Trade debtors	**2,984**	3,997
Prepaid pension contributions (see note 18)	**236**	368
Prepayments and accrued income (see note 13 (b))	**350**	219
Other debtors	**7**	125
	3,577	4,709

13 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Bank overdraft (see (a) below)	**315**	2,043
Other loans (see (b) below)	**275**	146
Obligations under hire purchase and finance lease contracts	**242**	2
Trade creditors	**1,677**	1,600
Other creditors, including:		
Taxation and social security (see (c) below)	**272**	245
Dividends payable	**-**	156
Accruals and deferred income	**138**	194
	2,919	4,386

(a) The bank overdraft is secured on the company's freehold and leasehold premises and a fixed and floating charge on the other assets of the company. In addition the bank holds a letter of set off against credit balances on the company's bank account.

(b) Other loans relates to a payment in advance by Barclays Mercantile for a deposit on an item of plant and machinery to be purchased in 2002 and which may be financed on a finance lease over three years in due course. Interest is charged on the loan at the rate of 5%. The prepaid deposit is included in prepayments and accrued income and the capital commitment is included in note 19 to the financial statements.

(c) Taxation and social security is made up as follows:

	2001 £'000	2000 £'000
Group relief payable (see below)	**121**	-
United Kingdom corporation tax payable	**3**	165
PAYE and social security	**51**	80
VAT	**97**	-
	272	245

The shareholders of the company have group relieved tax losses which have been taken account of in these financial statements and are payable to the shareholders.

14 Creditors: amounts falling due after more than one year

	2001	2000
	£'000	£'000
Obligations under hire purchase and finance lease contracts (see below)	**283**	3

	£'000	£'000
Obligations under hire purchase and finance lease contracts are payable as follows:		
Within one year	**242**	2
Between one and two years	**248**	3
Between two and five years	**35**	-
	525	5

15 Provision for liabilities and charges

The provision for liabilities and charges comprises deferred taxation as follows:

	£'000 (restated)
At 1 January 2001 as previously reported	111
Prior year adjustment - FRS 19	367
At 1 January 2001 as restated	478
Transferred to profit and loss account	4
At 31 December 2001	482

Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years. No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially tax gains could arise. Such tax would become payable only if the property were sold and it is not the directors' intention to sell the property included in the financial statements at a valuation. The total amount unprovided is £24,000 (2000: £41,000). Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. The amounts of provided and unprovided deferred tax are as follows:

	2001		2000 (restated)	
	Provided £'000	**Unprovided £'000**	Provided £'000	Unprovided £'000
Effect of timing differences				
Accelerated capital allowances	**423**	-	380	-
Other timing differences	**59**	-	98	-
Capital gain arising on revaluation (see note 17)	-	24	-	41
	482	24	478	41

16 Called up share capital

	2001	2000
	£'000	£'000
Authorised, issued and fully paid		
A ordinary shares of £1 each	**360**	360
B ordinary shares of £1 each	**360**	360
10% preference shares of £1 each	**280**	280
	1,000	1,000

The preference shares are convertible, at par, into C ordinary shares which will rank pari passu with all other ordinary shares. The preference shares are non-voting except in certain circumstances which relate to the specific entitlement of preference share holders.

The preference shares have a preferential right to return of capital and rank equally with the ordinary share holders subject to a maximum of £1,000 per share on a distribution on a winding up.

17 Revaluation reserve

The revaluation reserve represents the surplus on the revaluation of the leasehold land and buildings. At 31 December 2001 £102,000 (2000: £92,000) of this revaluation reserve is considered to be available for distribution. The taxation effect of a disposal of the leasehold land and buildings at their revalued amount is included in note 15 to the financial statements.

18 Pension obligations

All amounts have been calculated in accordance with the rules of the scheme.

An amount of £236,000 (2000: £368,000) is included in prepaid pension contributions relating to the Company's share of the surplus on the termination of the defined benefit scheme. This will be reduced in line with the profit and loss account charge relating to the Company's future contributions to the scheme.

A pension cost charge for the year of £131,000 (2000: £158,000) has been incurred by the company in respect of the year ended 31 December 2001. The assets of the scheme are held separately from those of the company and the fund is administered independently of the company.

An amount of £8,406 (2000: £11,288) is included in accruals which represents pension contributions for December 2001 paid by the Company to the scheme in January 2002.

19 Capital commitments

The board has authorised and contracted for £1,585,760 capital expenditure at 31 December 2001 which has not been provided for in these financial statements.

20 Financial commitments

The company has the following forward exchange contract payable in place at 31 December 2001, all maturing within one year

	Japanese Yen	**Sterling equivalent**
	2001	**2001**
	¥'000	**£'000**
To hedge against future capital expenditure	274,550	1,586

21 Reconciliation of operating profit to net cash inflow from operating activities

	2001	2000
	£'000	£'000
Operating profit	**69**	481
Depreciation charge	**304**	261
Loss on the sale of tangible fixed assets	**3**	11
Decrease/(increase) in stocks	**483**	(712)
Decrease in trade debtors	**1,013**	103
Decrease in other debtors	**250**	144
(Increase) in prepayments and accrued income	**(131)**	(139)
Increase/(decrease) in trade creditors	**77**	(49)
Increase in other taxation and social security creditor	**68**	21
(Decrease)/increase in accruals and deferred income	**(56)**	81
Net cash inflow from operating activities	**2,080**	202

22 Analysis of cashflows for headings netted in the cash flow statement

	2001 £'000	2000 £'000
Returns on investments and servicing of finance		
Interest received	7	8
Interest paid	(58)	(73)
Finance lease and hire purchase interest paid	(33)	(1)
Preference dividend paid	(44)	(17)
Net cash outflow for returns on investment and servicing of finance	(128)	(83)
Capital expenditure		
Payments to acquire tangible fixed assets	(16)	(468)
Receipts from sale of tangible fixed assets	4	15
Net cash outflow for capital expenditure	(12)	(453)
Financing		
Loans received	129	146
Capital element of hire purchase repayments	(211)	(1)
Net cash (outflow)/inflow from financing	(82)	145

23 Analysis of changes in net debt

	At 1 January 2001 £'000	Cash flow £'000	At 31 December 2001 £'000
Cash in hand and at bank	204	(5)	199
Bank overdrafts	(2,043)	1,728	(315)
	(1,839)	1,723	(116)
Debt due within one year	(146)	(129)	(275)
Hire purchase and finance lease contracts	(5)	(520)	(525)
	(151)	(649)	(800)
Total	(1,990)	1,074	(916)

24 Related party transactions

Afon Tinplate Company Limited's related parties, as defined by Financial Reporting Standards, the nature of the relationship and the extent of transactions with them, are summarised below:

	See note below	2001 £'000	2000 £'000
Service and management charges from Wolff Steel Limited	(a)	**87**	85
Service, commission and management charges from Corus Plc	(b)	**223**	230
Sales to Corus Plc on normal trading terms	(b)	**-**	22
Purchases from Corus Plc on normal trading terms	(b)	**9,302**	13,068
Included in trade creditors are amounts due to Corus Plc	(b)	**1,073**	923
Agency fees from Corus Metallvertrieb Deutschland GmbH	(b)	**23**	41
Agency fees from Corus Denmark A/S	(b)	**-**	23
Agency fees from Corus Celik Ticaret	(b)	**2**	5
Consortium relief payable to Corus plc	(b)	**121**	-

(a) At 31 December 2001 Wolff Steel Limited held 360,000 "A" ordinary shares (2000: 360,000) representing 36% of the company's called up share capital.

(b) At 31 December 2001 Corus plc held 360,000 "B" ordinary shares (2000: 360,000) and 280,000 10% preference shares (2000: 280,000), representing 64% of the company's called up share capital.

25 Ultimate control

Corus plc holds a majority of the company's called-up share capital. However, under the terms of a shareholders' agreement with Wolff Steel Limited, the management and control of the company is undertaken jointly by the shareholders.