

Registered no 193946

Afon Tinsplate Company Limited

**Annual report
for the year ended 31 December 2006**

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Afon Tinplate Company Limited

Annual report for the year ended 31 December 2006

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Afon Tinplate Company Limited

Report of the directors for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Principal activities

The profit and loss account for the financial year is set out on page 6

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. However, the directors are satisfied with the financial performance of the company given the difficult trading conditions during the year and with its financial position at 31 December 2006. The directors consider that the possibility of more favourable trading conditions during 2007 will result in an improvement in profitability.

Future outlook

The market for tinplate processing, printing and lacquering is expected to remain volatile.

Principal risks and uncertainties

The management of the business and execution of strategy are subject to a number of risks. Key business risks principally relate to market competition, both from a national and international perspective and the retention of suitably qualified employee.

Key performance indicators (KPI's)

Given the straightforward nature of the business the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Research and development

The company continues to undertake research and development to enhance its offerings to customers.

Dividends and transfers to reserves

The following dividends have been declared by the directors

	2006 £'000	2005 £'000
Preference shares		
Final dividend declared	-	26
Ordinary shares		
Final dividend declared	-	67
	-	93

The aggregate dividend recognised as an expense during the year amounted to £93,000 (2005 £88,000), excluding dividends that have yet to be approved at the balance sheet date. The accounting treatment has been adopted in accordance with Financial Reporting Standard 21 Events after the balance sheet date.

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 2006, and for the whole of the year then ended, except where indicated, are listed below.

M McOmish – Chairman
W W Boyd - Managing Director
J R Liguz
A F Moshiri
S A Parsell
I Falconer
M J Davies
S L Botterill (appointed 26 July 2006)

Directors' interests in shares of the company

None of the directors had any interest in the shares of the company at 31 December 2006 and 31 December 2005.

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.

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 23 days purchases outstanding at 31 December 2006 (2005 55 days) based on the average daily amount invoiced by suppliers during the year ended 31 December 2006.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to financial institutions with an AA rating or better. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Liquidity risk

The company actively maintains short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information, i.e. information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

By order of the board

Company secretary



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

We have audited the financial statements of Afon Tinsplate Company Limited for the year ended 31 December 2006, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

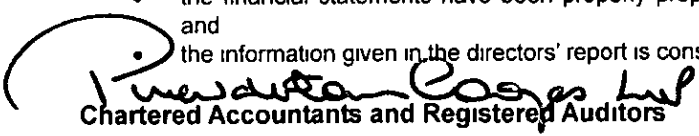
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2006 and of its loss and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.


Chartered Accountants and Registered Auditors
Swansea, 30 March 2007

Profit and loss account for the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	2	17,070	20,953
Cost of sales		(15,398)	(18,593)
Gross profit		1,672	2,360
Net operating expenses	3	(1,704)	(1,895)
Operating (loss)/profit	4	(32)	465
Interest payable and similar charges	7	(179)	(189)
(Loss)/profit on ordinary activities before taxation		(211)	276
Tax on profit on ordinary activities	8	74	(84)
(Loss)/profit on ordinary activities after taxation		(137)	192
Dividends paid	9	(93)	(88)
(Loss)/profit for the year		(230)	104
Statement of retained profits			
Retained profits at 1 January 2006 as previously reported		3,538	3,346
Prior year adjustment		-	88
(Loss)/profit for the year		(230)	104
Retained profits at 31 December 2006		3,308	3,538

The company has no recognised gains and losses other than the losses above and, therefore, no separate statement of total recognised gains and losses has been presented

The operating loss for the year has been derived from the continuing operations of the company

Note of historical cost profits and losses for the year ended 31 December 2006

	2006 £'000	2005 £'000
(Loss)/profit on ordinary activities before taxation	(211)	276
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	(201)	286
Historical cost (loss)/profit for the year retained after tax and dividends	(220)	114

Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
(Loss)/profit for the financial year after taxation	(137)	192
Dividends paid	(93)	(88)
(Loss)/profit for the financial year	(230)	104
Opening shareholders' funds	6,286	6,182
Closing shareholders' funds	6,056	6,286

Afon Tinplate Company Limited

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Balance sheet at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	10	5,181	5,627
Current assets			
Stocks	11	2,124	2,364
Debtors	12	3,818	4,669
Cash at bank and in hand		1	103
		5,943	7,136
Creditors amounts falling due within one year	13	(4,340)	(5,387)
Net current assets		1,603	1,749
Total assets less current liabilities		6,784	7,376
Creditors amounts falling due after more than one year	14	(5)	(288)
Provision for liabilities and charges	15	(676)	(750)
Accruals and deferred income	16	(47)	(52)
Net assets		6,056	6,286
Capital and reserves			
Called up share capital	17	1,000	1,000
Share premium account		759	759
Revaluation reserve	18	989	989
Profit and loss account		3,308	3,538
Total shareholders' funds		6,056	6,286
Ordinary shareholders' funds		4,360	4,526
Preference shareholders' funds		1,696	1,760
		6,056	6,286

The financial statements on pages 6 to 21 were approved by the board of directors on
23 March 2007 and were signed on its behalf by

Directors

Cash flow statement for the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Cash (outflow)/inflow from operating activities	22	(532)	2,418
Returns on investment and servicing of finance	23	(205)	(214)
Taxation received		-	1
Capital expenditure	23	-	(115)
		(737)	2,090
Equity dividends paid		(67)	(63)
Financing	23	586	(1,935)
(Decrease)/increase in cash	24	(218)	92
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the year	24	(218)	92
Cashflow from movement in debt and lease financing	24	(586)	1,935
Movement in net debt in the year		(804)	2,027
Net debt at 1 January 2006	24	(2,246)	(4,273)
Net debt at 31 December 2006	24	(3,050)	(2,246)

Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

The financial statements have been prepared on the going concern basis under the historical cost convention as modified to include the revaluation of certain fixed assets and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been applied consistently, are set out below.

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.

Government grants

Government grants receivable are treated as deferred income and are amortised over the estimated useful economic life of the assets to which they relate.

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 group defined contribution money purchase scheme (see note 19)
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 tangible 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

Operating lease agreements

Costs in respect of operating leases are charged in arriving at the operating profit in the year in which they are incurred

Deferred taxation

Provision for deferred taxation is made in respect of all material 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

	2006	2005
	£'000	£'000
European Community	16,918	20,810
Rest of World	152	143
	17,070	20,953

3 Net operating expenses

	2006	2005
	£'000	£'000
Distribution costs	858	1,049
Administrative expenses	846	846
Net operating expenses	1,704	1,895

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

	2006 £'000	2005 £'000
Depreciation charge for the year		
Tangible fixed assets - owned	268	320
- under finance leases and purchase contracts	195	195
Rentals under operating lease arrangements		
- plant and machinery	27	22
- other	1	1
(Profit) on disposal of tangible fixed assets	(17)	(3)
Auditors' remuneration for audit	16	16

Remuneration of the company's auditors for non-audit services to the company was £4,000 (2005 £4,000) This includes taxation compliance work

5 Directors' emoluments

	2006 £'000	2005 £'000
Aggregate emoluments	132	183
Sums paid to third parties for directors services	103	87
Pension contributions to money purchase schemes (see below)	11	11

At the end of the financial year, three directors (2005 three) were participating in defined contribution pension schemes operated by the company

	2006 £'000	2005 £'000
Highest paid director		
Emoluments	99	101
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 financial year, including executive directors and excluding non-executive directors, is analysed below

	2006 Number	2005 Number
Production	55	66
Sales and administration	10	10
Executive directors	3	3
	68	79

Employment costs - all employees including executive directors

	2006 £'000	2005 £'000
Staff costs (for the above persons)		
Wages and salaries	1,763	2,092
Social security costs	168	195
Other pension costs (see note 19)	104	107
	2,035	2,394

7 Interest payable and similar charges

	2006 £'000	2005 £'000
On bank loans, overdrafts and other loans	136	94
On hire purchase and finance lease contracts	43	95
	179	189

8 Tax on (loss)/profit on ordinary activities

	2006 £'000	2005 £'000
Current tax		
UK corporation tax on (loss)/profits of the period	-	-
Adjustment in respect of previous periods	-	(4)
Total current tax (credit)	-	(4)
Deferred tax		
Origination and reversal of timing differences	(74)	88
Total deferred tax (credit)/charge	(74)	88
Tax (credit)/charge on (loss)/profit on ordinary activities	(74)	84

The tax for the year is higher (2005 lower) than the standard rate of corporation tax applying in the United Kingdom (30%) The differences are explained below

	2006 £'000	2005 £'000
(Loss)/profit on ordinary activities before tax	(211)	276
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2005 30%)	(63)	83
Effects of		
Expenses not deductible for tax purposes	2	4
Accelerated capital allowances and other timing differences	1	(34)
Utilisation of losses	60	(53)
Adjustment in respect of previous periods	-	(4)
Current tax (credit)	-	(4)

9 Dividends

	2006 £'000	2005 £'000
Dividends paid		
On ordinary shares		
Final dividend paid of 9 3p per share (2005 8 8p)	67	63
On preference shares		
Final dividend paid of 9 3p per share (2005 8 8p)	26	25
	93	88

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 2006	10	1,282	8,228	14	9,534
Additions	-	-	23	-	23
Disposals	(3)	-	(10)	-	(13)
At 31 December 2006	7	1,282	8,241	14	9,544
Depreciation					
At 1 January 2006	-	162	3,731	14	3,907
Charge for the year	-	14	449	-	463
Disposals	-	-	(7)	-	(7)
At 31 December 2006	-	176	4,173	14	4,363
Net book amount					
At 31 December 2006	7	1,106	4,068	-	5,181
At 31 December 2005	10	1,120	4,497	-	5,627

The net book amount includes £2,194,000 in respect of assets held under hire purchase and finance lease agreements (2005 £2,389,000). The depreciation charge relating to these assets during the financial year was £195,000 (2005 £195,000).

The freehold and long 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 in accordance with the RICS 'Appraisal and Valuation Manual'. The freehold land has been valued in the financial statements at estimated realisable value, and the long 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 long leasehold land and buildings are

	Long Leasehold buildings £'000
Historic cost	331
Aggregate depreciation based on cost	(45)
Net book amount based on historical cost	286

11 Stocks and work in progress

	2006 £'000	2005 £'000
Raw materials and consumables	1,610	1,763
Work in progress	106	139
Finished goods	408	462
	2,124	2,364

12 Debtors: amounts falling due within one year

	2006 £'000	2005 £'000
Trade debtors (see note 13 (b))	3,705	4,540
Prepayments and accrued income	113	119
Other debtors	-	10
	3,818	4,669

13 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Bank overdraft (see (a) below)	116	-
Bank loans (see note 14 (a))	31	80
Obligations under hire purchase and finance lease contracts (see note 14 (b))	252	723
Trade creditors	1,052	3,105
Other creditors, including		
Other taxation and social security	121	45
Invoice discounting balance payable (see (b) below)	2,647	1,258
Accruals and deferred income	121	176
	4,340	5,387

- (a) The bank loans and overdraft are 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) The company has entered into a contract that provides invoice discounting facilities in respect of its trade debts. An amount of £2,647,000 (2005 £1,258,000) provided to the company in respect of these debts is included in other creditors. The invoice discounting provider holds a fixed and floating charge over the book debts and assets of the company.

14 Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Bank loans (see (a) below)	-	31
Obligations under hire purchase and finance lease contracts (see (b) below)	5	257
	5	288

(a)	2006 £'000	2005 £'000
Bank loans are repayable as follows		
Within one year	31	80
Between one and two years	-	31
	31	111

(b)	2006 £'000	2005 £'000
Obligations under hire purchase and finance lease contracts are payable as follows		
Within one year	252	723
Between one and two years	5	252
Between two and five years	-	5
	257	980

15 Provision for liabilities and charges

The provision for liabilities and charges comprises deferred taxation as follows

	£'000
At 1 January 2006	750
Credited to profit and loss account	(74)
At 31 December 2006	676

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 £Nil (2005 £Nil). 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

	2006		2005	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Effect of timing differences				
Accelerated capital allowances	759	-	760	-
Other timing differences	-	-	-	-
Losses	(100)	-	(8)	-
Pension provision	(3)	-	(2)	-
	656	-	750	-

16 Accruals and deferred income

	Government grants £'000
At 1 January 2006	52
Amortised to profit and loss account	(5)
At 31 December 2006	47

The directors of the company consider that no factors have arisen which would give rise to the repayment of the grants received

17 Called up share capital

	2006 £'000	2005 £'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 (see below)	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.

18 Revaluation reserve

The revaluation reserve represents the surplus on the revaluation of the leasehold land and buildings. At 31 December 2006 £152,000 (2005 £142,000) 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.

19 Pension obligations

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

A pension cost charge for the year of £104,000 (2005 £107,000) has been incurred by the company in respect of the year ended 31 December 2006. 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 £10,000 (2005 £7,000) is included in accruals which represents pension contributions for December 2006 paid by the Company to the pension scheme in January 2007.

20 Commitments under operating leases

At 31 December 2006, the company has annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Expiring within one year	-	-	7	3
Expiring between one and five years	-	-	15	24
Expiring in more than five years	1	1	-	-
	1	1	22	27

21 Capital commitments

The board has not authorised or contracted for any capital expenditure at 31 December 2006

22 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2006	2005
	£'000	£'000
Operating (loss)/profit	(32)	465
Depreciation charge	463	515
Amortisation of government grants	(5)	(4)
(Profit) on the sale of tangible fixed assets	(17)	(3)
Decrease in stocks	240	191
Decrease in trade debtors	835	2,384
Decrease in other debtors	10	251
Decrease in prepayments and accrued income	6	27
(Decrease) in trade creditors	(2,053)	(1,310)
Increase/(decrease) in other taxation and social security	76	(30)
(Decrease) in accruals and deferred income	(55)	(68)
Net cash (outflow)/inflow from operating activities	(532)	2,418

23 Analysis of cash flows for headings netted in the cash flow statement

	2006 £'000	2005 £'000
Returns on investments and servicing of finance		
Interest paid	(136)	(94)
Finance lease and hire purchase interest paid	(43)	(95)
Preference dividend paid	(23)	(25)
Net cash (outflow) for returns on investment and servicing of finance	(205)	(214)
Capital expenditure		
Payments to acquire tangible fixed assets	(23)	(118)
Receipts from sale of tangible fixed assets	23	3
Net cash (outflow) for capital expenditure	-	(115)
Financing		
Loans received	-	100
Loans repaid	(80)	(123)
Net amounts received from/(paid to) invoice discounters	1,389	(1,207)
Capital element of hire purchase and finance lease repayments	(723)	(705)
Net cash inflow/(outflow) from financing	586	(1,935)

24 Analysis of changes in net debt

	At 1 January 2006 £'000	Cash flow £'000	Non cash flow £000	At 31 December 2006 £'000
Cash in hand and at bank	103	(102)	-	1
Bank overdraft		(116)	-	(116)
	103	(218)	-	(115)
Bank loans due within one year	(80)	80	(31)	(31)
Invoice discounting creditor	(1,258)	(1,389)	-	(2,647)
Hire purchase and finance leases due within one year	(723)	723	(252)	(252)
Bank loans due in more than one year	(31)	-	31	-
Hire purchase and finance leases due in more than one year	(257)	-	252	(5)
	(2,349)	(586)	-	(2,935)
Net debt	(2,246)	(804)	-	(3,050)

25 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	2006 £'000	2005 £'000
Service, commission and management charges from Corus Group Plc	(b)	192	293
Purchases from Corus Group Plc on normal trading terms	(b)	9,115	12,472
Purchases from Corus Nederland BV	(b)	2,431	1,100
Included in trade creditors are amounts due to Corus Group Plc	(b)	490	2,020
Service and management charges from Wolff Steel Limited	(a)	50	97
Included in trade creditors are amounts due to Corus Nederland BV	(b)	-	19
Included in trade creditors are amounts due to Wolff Steel Limited	(a)	25	24
Agency fees from Corus Metallvertrieb Deutschland GmbH	(b)	10	20
Agency fees from Corus Celik Ticaret	(b)	1	-
Agency fees due to Corus Metallvertrieb Deutschland GmbH	(b)	-	3
Amounts owed by Corus Metallvertrieb Deutschland GmbH	(b)	1	-

- (a) At 31 December 2006 Wolff Steel Limited held 360,000 "A" ordinary shares (2005 360,000) representing 36% of the company's called up share capital
- (b) At 31 December 2006 Corus Group Plc held 360,000 "B" ordinary shares (2005 360,000) and 280,000 10% preference shares (2005 280,000), representing 64% of the company's called up share capital

26 Ultimate control

Corus Group 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.