Company Registration No. 193946

# AFON TINPLATE COMPANY LIMITED

## Report and Financial Statements

## 31 December 2012

# REPORT AND FINANCIAL STATEMENTS 2012

## CONTENTS

## OFFICERS AND PROFESSIONAL ADVISERS

### DIRECTORS

| | |
|---|---|
| L W Brantjes | (appointed 1 January 2012) |
| I Falconer | |
| N A Lawley | Managing Director |
| S A Parsell | |
| F Wijtvliet | |

### SECRETARY

S A Parsell

### REGISTERED OFFICE

Afon Works
Bryntywod
Swansea
West Glamorgan

### BANKERS

HSBC Bank plc

### SOLICITORS

Morgan Cole Solicitors

### AUDITOR

Deloitte LLP
Cardiff

# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

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

## RESULTS FOR THE YEAR AND DIVIDENDS

The profit and loss account for the financial year is set out on page 7 The company achieved an operating profit of £145,000 for the financial year (2011 - £922,000)

The directors recommend the payment of a dividend for the financial year of £59,000 (2011 – £338,000)

The aggregate dividend recognised during the year amounted to £338,000 (2011 - £466,000) The accounting treatment is in accordance with Financial Reporting Standard 21, 'Events after the balance sheet date' and as a result the final proposed dividend for the year ended 31 December 2012 of £59,000 (2011 - £338,000) will be recognised in the following year, as it had yet to be approved at 31 December 2012

## GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found under Accounting Policies in note 1 to the financial statements

## REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Trading conditions continued to be strong in the early part of 2012 The position became more challenging in the second half of the year as imported material prices fell, putting pressure on volumes and margins Raw material prices continue to fluctuate and this, together with the current economic climate in the UK, would suggest that the market for metal packaging will remain uncertain through the coming year

## 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, fluctuations in the price and supply of tinplate, and the retention of suitably qualified employees

## KEY PERFORMANCE INDICATORS (KPIs)

Financial KPIs considered important by the directors are turnover and gross profit

Turnover for the year decreased to £14,195,000 (2011 - £17,933,000) due to lower volumes not compensated for by higher prices Gross profit fell to £1,630,000 (2011 - £2,319,000) due to the lower activity

## DIRECTORS

The current directors of the company, with dates of appointment where appropriate, are as shown on page 1

## DIRECTORS' REPORT (continued)

### 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 41 days purchases outstanding at 31 December 2012 (2011 - 55 days) based on the average daily amount invoiced by suppliers during the year

### FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk, liquidity risk, foreign exchange 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 of Directors The policies set by the Board are implemented by the company's finance department

Management does not consider the level of exposure to foreign exchange risk or interest rate risk sufficient to warrant additional specified procedures

The level of exposure to foreign exchange risk continues to be monitored closely in light of increased purchasing from overseas It is currently considered that the costs of managing exposure to foreign exchange risk exceeds any potential benefits

#### 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

## DIRECTORS' REPORT (continued)

### AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

(2) each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

Susan Parsell

S A Parsell
Secretary

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They 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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFON TINPLATE COMPANY LIMITED

We have audited the financial statements of Afon Tinplate Company Limited for the year ended 31 December 2012 which comprise the profit and loss account, the note of historical cost profits and losses, the combined statement of movements on reserves and reconciliation of movement in shareholders' funds, the balance sheet, the cash flow statement and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

**Respective responsibilities of directors and auditor**
As explained more fully in the Directors' Responsibilities Statement, 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**
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

**Opinion on financial statements**
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Stuart N. Woodward

**Stuart Woodward (Senior statutory auditor)**
**for and on behalf of Deloitte LLP**
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom

28 March 2013

## PROFIT AND LOSS ACCOUNT
## Year ended 31 December 2012

| | Note | 2012 £'000 | 2011 £'000 |
|---|---|---|---|
| **TURNOVER** | 2 | 14,195 | 17,933 |
| Cost of sales | | (12,565) | (15,614) |
| **GROSS PROFIT** | | 1,630 | 2,319 |
| Net operating expenses | 3 | (1,485) | (1,397) |
| **OPERATING PROFIT** | 4 | 145 | 922 |
| Interest payable and similar charges | 7 | (26) | (38) |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 119 | 884 |
| Tax on profit on ordinary activities | 8 | (1) | (207) |
| **PROFIT FOR THE FINANCIAL YEAR** | | 118 | 677 |

All activities derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

## NOTE OF HISTORICAL COST PROFITS AND LOSSES
### Year ended 31 December 2012

| | 2012<br>£'000 | 2011<br>£'000 |
|---|---|---|
| Profit on ordinary activities before taxation | 119 | 884 |
| Difference between historical cost depreciation charge and the actual depreciation charge for the year | 10 | 10 |
| Historical cost profit on ordinary activities before taxation | 129 | 894 |
| Historical cost (loss)/profit for the year after taxation and dividends | (210) | 221 |

## COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
### Year ended 31 December 2012

| | Share capital<br>£'000 | Share premium account<br>£'000 | Revaluation reserve<br>£'000 | Profit and loss account<br>£'000 | Total 2012<br>£'000 | Total 2011<br>£'000 |
|---|---|---|---|---|---|---|
| At beginning of the financial year | 1,000 | 759 | 787 | 5,287 | 7,833 | 7,622 |
| Profit for the financial year | - | - | - | 118 | 118 | 677 |
| Transfer | - | - | (10) | 10 | - | - |
| Dividends paid | - | - | - | (338) | (338) | (466) |
| At end of the financial year | 1,000 | 759 | 777 | 5,077 | 7,613 | 7,833 |

## BALANCE SHEET
## As at 31 December 2012

| | Note | 2012 £'000 | 2011 £'000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 10 | 3,272 | 3,376 |
| **CURRENT ASSETS** | | | |
| Stocks | 11 | 3,925 | 3,912 |
| Debtors | 12 | 2,326 | 2,573 |
| Cash at bank and in hand | | 554 | 1,520 |
| | | 6,805 | 8,005 |
| **CREDITORS: amounts falling due within one year** | 13 | (2,099) | (3,103) |
| **NET CURRENT ASSETS** | | 4,706 | 4,902 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 7,978 | 8,278 |
| **CREDITORS amounts falling due after more than one year** | 14 | (23) | (27) |
| **PROVISIONS FOR LIABILITIES** | 15 | (342) | (418) |
| **NET ASSETS** | | 7,613 | 7,833 |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 16 | 1,000 | 1,000 |
| Share premium account | | 759 | 759 |
| Revaluation reserve | | 777 | 787 |
| Profit and loss account | | 5,077 | 5,287 |
| **SHAREHOLDERS' FUNDS** | | 7,613 | 7,833 |

The financial statements of Afon Tinplate Company Limited, registered number 193946, were approved by the Board of Directors and authorised for issue on 27 March 2013

Signed on behalf of the Board of Directors

Neil Caw

N A Lawley
Director

## CASH FLOW STATEMENT
## Year ended 31 December 2012

| | Note | 2012<br>£'000 | 2011<br>£'000 |
|---|---|---|---|
| **Net cash (outflow)/inflow from operating activities** | 19 | (57) | 1,647 |
| Returns on investments and servicing of finance | 20 | (26) | (38) |
| Capital expenditure | 20 | (304) | (262) |
| Tax paid | | (241) | (413) |
| Dividends paid | | (338) | (466) |
| **(Decrease)/increase in cash in the year** | 21 | (966) | 468 |

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below

**Accounting convention**

The financial statements are prepared under the historical cost convention except where modified for the revaluation of freehold properties

**Turnover**

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied Turnover is recognised on delivery of the relevant goods

**Going concern**

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

When external funding is required, the company has an invoice discounting facility granted by HSBC Bank PLC The maximum facility available is the lower of 85% of eligible debtors and £3,500,000, although none of this facility was utilised as at 31 December 2012 The facility is reviewed annually The current facility is on a rolling contract which will only become fixed if either party requires to modify the terms The directors have no reason to think these facilities will not be renewed at the appropriate time

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

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

| | |
|---|---|
| Leasehold premises | Over the term of the lease |
| Motor vehicles | 4 years |
| Plant and machinery | 2-15 years |

**Revaluation of properties**

The company has taken advantage of the transitional provisions of FRS 15, 'Tangible fixed assets', and retained book amounts over certain freehold properties which were revalued prior to the implementation of that standard The properties were last revalued on 15 September 1994 and the valuations have not been updated subsequently

**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 and an attributable proportion of manufacturing overheads based on normal levels of activity 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, obsolete and defective stocks

**Government grants**

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

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

1 **ACCOUNTING POLICIES (continued)**

**Foreign currencies**

Transactions in foreign currencies are translated using the rate prevailing at the transaction date Assets and liabilities denominated in foreign currencies 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 personal pension scheme, which is a defined contribution scheme (see note 17) The charge against profits represents the contributions payable to the pension scheme in respect of the accounting period

**Operating lease agreements**

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

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

2. **TURNOVER**

The company's turnover arose entirely from the principal activities of tinplate processing, printing and lacquering An analysis of turnover by geographical market is given below

| | **2012** | **2011** |
|---|---|---|
| | **£'000** | **£'000** |
| United Kingdom | 12,121 | 15,397 |
| Rest of Europe | 2,074 | 2,536 |
| | 14,195 | 17,933 |

3 **NET OPERATING EXPENSES**

| | **2012** | **2011** |
|---|---|---|
| | **£'000** | **£'000** |
| This comprises | | |
| Distribution costs | 651 | 562 |
| Administrative expenses | 834 | 835 |
| | 1,485 | 1,397 |

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 4. OPERATING PROFIT

| | | 2012 £'000 | 2011 £'000 |
|---|---|---|---|
| **Operating profit is stated after charging** | | | |
| Depreciation charge for the year | | | |
| Tangible fixed assets | - owned | 407 | 434 |
| Rentals under operating lease arrangements | | | |
| | - plant and machinery | 21 | 21 |
| | - other | 22 | 17 |
| Loss on disposal of tangible fixed assets | | 2 | 5 |
| Losses on foreign exchange | | - | 16 |
| Auditor's remuneration | | | |
| | - audit services | 20 | 20 |
| | - non-audit services | 5 | 5 |

### 5 DIRECTORS' REMUNERATION

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Aggregate emoluments | 74 | 134 |
| Amounts paid to third parties for directors' services | 157 | 162 |
| Pension contributions to money purchase schemes | 5 | 47 |
| | 236 | 343 |

At the end of the financial year, one director (2011 - one) was participating in the defined contribution pension scheme operated by the company

| | £'000 | £'000 |
|---|---|---|
| Remuneration of the highest paid director | | |
| Emoluments | 157 | 162 |

No pension contributions were paid into the defined contribution pension scheme in respect of the highest paid director in either period

## NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 6. EMPLOYEE INFORMATION

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

| | 2012<br>No. | 2011<br>No. |
|---|---|---|
| Production | 42 | 44 |
| Sales and administration | 10 | 9 |
| Executive directors | 2 | 2 |
| | 54 | 55 |

| | £'000 | £'000 |
|---|---|---|
| Staff costs (including executive directors) | | |
| Wages and salaries | 1,601 | 1,713 |
| Social security costs | 151 | 159 |
| Other pension costs | 72 | 119 |
| | 1,824 | 1,991 |

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012<br>£'000 | 2011<br>£'000 |
|---|---|---|
| On bank loans, overdrafts and other loans | 26 | 38 |

## NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| **Current taxation** | | |
| United Kingdom corporation tax | | |
| Current tax on income for the year at 24 5% (2011 – 26 5%) | 79 | 286 |
| Prior period adjustment | (2) | (11) |
| **Total current tax** | 77 | 275 |
| **Deferred taxation** | | |
| Origination and reversal of timing differences | (76) | (78) |
| Prior period adjustment | - | 10 |
| | (76) | (68) |
| | 1 | 207 |

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

| | £'000 | £'000 |
|---|---|---|
| Profit on ordinary activities before tax | 119 | 884 |
| Tax on profit on ordinary activities before tax at 24 5% (2011 – 26 5%) | 29 | 234 |
| **Factors affecting charge for the year** | | |
| Expenses not deductible for tax purposes | 4 | 3 |
| Capital allowances and other timing differences | 46 | 49 |
| Prior period adjustment | (2) | (11) |
| **Current tax charge for the year** | 77 | 275 |

The forthcoming change in the corporation tax rate to 23% in future years will not materially affect the future tax charge

### 9. DIVIDENDS

The directors recommend the payment of dividends in relation to the year as follows

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Preference shares Final dividend - £0 06 (2011 - £0 34) per share | 21 | 95 |
| Ordinary shares Final dividend - £0 06 (2011 - £0 34) per share | 38 | 243 |
| | 59 | 338 |

The aggregate dividend recognised during the year amounted to £338,000 (2011 - £466,000) The accounting treatment is in accordance with Financial Reporting Standard 21, 'Events after the balance sheet date' and as a result,the final proposed dividend for the year ended 31 December 2012 of £59,000 (2011 - £338,000) will be recognised in the following year, as it had yet to be approved at the balance sheet date

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 10. TANGIBLE FIXED ASSETS

| | Freehold land £'000 | Long leasehold buildings £'000 | Plant and machinery £'000 | Motor vehicles £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 January 2012 | 7 | 1,282 | 8,150 | 15 | 9,454 |
| Additions | - | - | 306 | - | 306 |
| Disposals | - | - | (145) | - | (145) |
| At 31 December 2012 | 7 | 1,282 | 8,311 | 15 | 9,615 |
| **Depreciation** | | | | | |
| At 1 January 2012 | - | 244 | 5,826 | 8 | 6,078 |
| Charge for the year | - | 14 | 389 | 4 | 407 |
| Disposals | - | - | (142) | - | (142) |
| At 31 December 2012 | - | 258 | 6,073 | 12 | 6,343 |
| **Net book value** | | | | | |
| At 31 December 2012 | 7 | 1,024 | 2,238 | 3 | 3,272 |
| At 31 December 2011 | 7 | 1,038 | 2,324 | 7 | 3,376 |

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 historical cost and depreciation of the revalued long leasehold land and buildings is £331,000 (2011 - £331,000) cost and £64,000 (2011 - £61,000) accumulated depreciation

### 11. STOCKS AND WORK IN PROGRESS

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Raw materials and consumables | 2,108 | 2,473 |
| Work in progress | 607 | 449 |
| Finished goods | 1,210 | 990 |
| | 3,925 | 3,912 |

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Trade debtors (see note 13) | 1,884 | 2,452 |
| Corporation tax | 335 | - |
| Prepayments and accrued income | 107 | 121 |
| | 2,326 | 2,573 |

## NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Trade creditors | 1,578 | 2,596 |
| Corporation tax | 292 | 120 |
| Other taxation and social security | 36 | 56 |
| Accruals and deferred income | 193 | 331 |
| | 2,099 | 3,103 |

The company has entered into a contract that provides invoice discounting facilities in respect of its trade debts This facility is in credit in the current year and is therefore included within cash in the current period 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

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Accruals and deferred income – government grants | 23 | 27 |

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

### 15 PROVISIONS FOR LIABILITIES

The provisions for liabilities comprise deferred taxation as follows

| | £'000 |
|---|---|
| At 1 January 2012 | 418 |
| Credited to the profit and loss account | (76) |
| At 31 December 2012 | 342 |

**Factors that may affect future tax charges**

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 valuation 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 amount of provided deferred taxation is as follows

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Effect of timing differences | | |
| Accelerated capital allowances | 343 | 420 |
| Other short-term timing differences | (1) | (2) |
| | 342 | 418 |

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 16 CALLED UP SHARE CAPITAL

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| **Allotted, called up 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 shareholders

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

### 17. PENSION OBLIGATIONS

The Company operates a defined contribution retirement benefit scheme for all qualifying employees All amounts have been calculated in accordance with the rules of the scheme

A pension cost charge for the year of £72,000 (2011 - £119,000) has been incurred by the company in respect of the year 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 £5,000 (2011 - £7,000) is included in accruals which represents pension contributions for December 2012 paid by the company to the pension scheme in January 2013

### 18 COMMITMENTS UNDER OPERATING LEASES

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

| | Land and buildings | | Other | |
|---|---|---|---|---|
| | 2012 £'000 | 2011 £'000 | 2012 £'000 | 2011 £'000 |
| Expiring within one year | - | - | 3 | - |
| Expiring between one and five years | - | - | 28 | 31 |
| Expiring in more than five years | 2 | 2 | - | - |
| | 2 | 2 | 31 | 31 |

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 19 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| Operating profit | 145 | 922 |
| Depreciation charge | 407 | 434 |
| Amortisation of government grants | (4) | (4) |
| Loss on the sale of tangible fixed assets | 2 | 5 |
| Increase in stocks | (13) | (392) |
| Decrease in debtors | 582 | 2,180 |
| Decrease in creditors | (1,176) | (1,498) |
| Net cash (outflow)/inflow from operating activities | (57) | 1,647 |

### 20 ANALYSIS OF CASH FLOWS

| | 2012 £'000 | 2011 £'000 |
|---|---|---|
| **Returns on investments and servicing of finance** | | |
| Interest paid | (26) | (38) |
| **Capital expenditure** | | |
| Payments to acquire tangible fixed assets | (306) | (264) |
| Receipts from sale of tangible fixed assets | 2 | 2 |
| | (304) | (262) |

### 21. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 January 2012 £'000 | Cash flow £'000 | At 31 December 2012 £'000 |
|---|---|---|---|
| Cash at bank and in hand | 1,520 | (966) | 554 |

# NOTES TO THE FINANCIAL STATEMENTS
## Year ended 31 December 2012

### 22 RELATED PARTY TRANSACTIONS

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

| | See note below | 2012 £'000 | 2011 £'000 |
|---|---|---|---|
| Service, commission and management charges from Tata Steel Packaging UK Limited | (b) | 235 | 220 |
| Purchases from Tata Steel UK Limited on normal trading terms | (b) | 7,486 | 9,474 |
| Purchases from Tata Steel Ijmuiden BV | (b) | (1) | 1,621 |
| Service and management charges from Wolff Steel Limited | (a) | 50 | 50 |
| Included in trade creditors are amounts due to Tata Steel UK Limited | (b) | 737 | 1,739 |
| Included in trade creditors are amounts due to Tata Steel Ijmuiden BV | (b) | - | - |
| Included in trade creditors are amounts due to Tata Steel Packaging UK Limited | (b) | 163 | 170 |
| Included in trade creditors are amounts due to Wolff Steel Limited | (a) | 50 | 50 |
| Agency fees from Corus Metallvertrieb Deutschland GmbH | (b) | 2 | 2 |
| Included in trade debtors are amounts due from Tata Steel UK Limited | (b) | 35 | 1 |
| Included in trade debtors are amounts due from Tata Steel Ijmuiden BV | (b) | - | - |

(a) At 31 December 2012 Wolff Steel Limited held 360,000 "A" ordinary shares (2011 - 360,000), representing 36% of the company's called up share capital

(b) At 31 December 2012 Tata Steel UK Limited held 360,000 "B" ordinary shares (2011 - 360,000) and 280,000 10% preference shares (2011 - 280,000), representing 64% of the company's called up share capital

### 23. ULTIMATE CONTROLLING PARTY

Tata Steel UK Limited 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