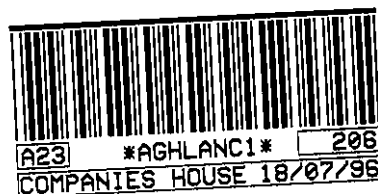


Registered no: 193946

Afon Tinsplate Company Limited
Annual report
for the year ended 31 December 1995



Afon Tinsplate Company Limited

Annual report for the year ended 31 December 1995

	Pages
Directors' report	1 - 2
Statement of directors' responsibilities	3
Report of the auditors	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 18

Report of the directors for the year ended 31 December 1995

The directors present their report and the audited financial statements for the year ended 31 December 1995.

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

Although there has been an improvement in the economic climate during 1995, both within the United Kingdom and continental Europe, trading conditions in some of the markets serviced by the company continue to be difficult. However, the directors are satisfied with the financial performance of the company and with its financial position during the year ended 31 December 1995.

Dividend and transfers to reserves

The following dividends have been declared by the directors:

	£000
Preference shares	
Final dividend declared	66
Ordinary shares	
Final dividend declared	169
	<hr/>
	235
	<hr/>

After the payment of the above dividends £235,000 of the profit for the financial year will be 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 1995, are listed below. All have been directors for the whole of the year ended on that date, except where indicated:

I P Spratling - Chairman
E Billington - Chief Executive (appointed 2 October 1995)
J P Deer
R J Sharp
Dr A L Vickers
R A Parris
R L Tesh
A K Barnett
J R Liguz (appointed 28 June 1995)

A J Boileau, who was a director at 1 January 1995, resigned as a director on 29 September 1995. Subsequent to the end of the financial year Mr R J Sharp resigned as a director on 30 January 1996 on his retirement from the business.

Directors' interests in shares of the company

None of the directors had any interest in the shares of the company at 31 December 1995.

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 period.

Close company provisions

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

Ultimate holding company

The directors do not consider that Afon Tinsplate Company Limited is a subsidiary of any other company.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



Company secretary

28 JUNE 1996

Statement of directors' responsibilities for preparing the financial statements

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss and total recognised gains or losses of the company for that year.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the going concern basis is appropriate.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to be 'R. J. G.', written over a horizontal line.

Company secretary

28 JUNE 1996

**Report of the auditors to the members of
Afon Tinplate Company Limited**

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

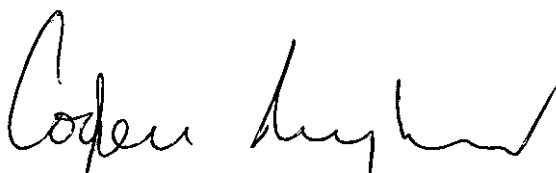
Basis of opinion

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 1995 and of its profit, total recognised gains and losses, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Swansea,

4 July 1996

**Profit and loss account
for the year ended 31 December 1995**

	Note	1995 £'000	1994 £'000
Turnover	2	24,609	19,556
Cost of sales		(21,828)	(17,247)
Gross profit		2,781	2,309
Net operating expenses	3	(1,910)	(1,700)
Operating profit	4	871	609
Interest receivable		6	2
		877	611
Interest payable and similar charges	7	(154)	(138)
Profit on ordinary activities before taxation		723	473
Tax on profit on ordinary activities	8	(253)	(143)
Profit on ordinary activities after taxation		470	330
Dividends paid and proposed	9	(235)	(165)
Retained profit for the year		235	165
Statement of retained profits			
Retained profits at 1 January 1995		2,059	1,894
Retained profit for the year		235	165
Retained profit at 31 December 1995		2,294	2,059

There were no discontinued operations in the year.

Statement of total recognised gains and losses

	1995 £'000	1994 £'000
Retained profit for the year	235	165
Unrealised surplus on revaluation of leasehold land and buildings	-	505
Total gains and losses recognised in the year	<u>235</u>	<u>670</u>

Note of historical cost profits and losses for the year ended 31 December 1995

	1995 £'000	1994 £'000
Reported profit on ordinary activities before taxation	723	473
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	10	10
Historical cost profit on ordinary activities before taxation	<u>733</u>	<u>483</u>
Historical cost profit for the year retained after tax and dividends	<u>245</u>	<u>175</u>

Reconciliation of movements in shareholders' funds

	1995 £'000	1994 £'000
Revaluation of leasehold land and buildings	-	505
Retained profit for the financial year	235	165
Opening shareholders' funds	<u>4,807</u>	<u>4,137</u>
Closing shareholders' funds	<u>5,042</u>	<u>4,807</u>

There were no other recognised gains relating to the year.

**Balance sheet
at 31 December 1995**

	Notes	1995 £'000	1994 £'000
Fixed assets			
Tangible assets	10	2,255	2,091
Current assets			
Stocks	11	3,367	2,491
Debtors	12	6,684	4,647
Cash at bank and in hand		6	6
		10,057	7,144
Creditors: amounts falling due within one year	13	(7,185)	(3,531)
Net current assets		2,872	3,613
Total assets less current liabilities		5,127	5,704
Creditors: amounts falling due after more than one year	14	(85)	(897)
Net assets		5,042	4,807
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		2,294	2,059
Total shareholders' funds		5,042	4,807
Equity shareholders' funds		3,630	3,461
Non-equity shareholders' funds		1,412	1,346
		5,042	4,807

The financial statements on pages 5 to 18 were approved by the board of directors on 28 June 1996 and were signed on its behalf by:

Director

E. Billington E. BILLINGTON.

Director

J R LIGUZ J R LIGUZ

**Cash flow statement
for the year ended 31 December 1995**

	Notes	1995 £'000	1994 £'000
Net cash (outflow)/inflow from operating activities	20	(136)	1,546
Returns on investments and servicing of finance			
Interest received		6	2
Interest paid		(154)	(138)
Dividends paid		(164)	(193)
Net outflow from returns on investments and servicing of finance		(312)	(329)
Taxation			
UK corporation tax paid		(142)	(209)
Investment activities			
Purchase of tangible fixed assets		(335)	(140)
Sale of tangible fixed assets		13	20
Net cash outflow from investing activities		(322)	(120)
Net cash (outflow)/inflow before financing		(912)	888
Financing			
Repayment of promissory notes		-	(126)
Repayment of bank loan	21	(506)	(173)
(Decrease)/increase in cash and cash equivalents	22	(1,418)	589

**Notes to the financial statements
for the year ended 31 December 1995****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is 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 acquisitions.

Depreciation

Depreciation is calculated so as to write off the cost 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	3 - 5	8 - 15

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

The 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

Differences arising on foreign exchange transactions are taken to the profit and loss account in the year in which they arise.

Pension arrangements

The pension schemes of the company are externally invested. The rates of contribution to these schemes, which are charged in these financial statements, are actuarially determined. Any adjustments to the rates of contribution are determined in the light of the results of independent actuarial valuations. Actuarial valuations are made at regular intervals, usually every three years. The pension cost charged in the financial statements is determined so as to spread the cost of pensions systematically over the employees' working lives within the company.

Deferred taxation

Provision is made for deferred taxation at the rates of corporation tax expected to be in force when the timing differences reverse (the liability method), to the extent that it is probable that a liability or asset will crystallise.

2 Turnover

The company's turnover arose entirely from the principal activities of tinplate processing, printing and lacquering. All the turnover relates to sales made principally within the European Economic Community.

3 Net operating expenses

Net operating expenses are made up as follows:

	1995 £000	1994 £000
Distribution costs	1,270	1,117
Administrative expenses	640	583
Net operating expenses	1,910	1,700

4 Operating profit

Operating profit is stated after charging:

	1995 £'000	1994 £'000
Depreciation of tangible fixed assets	130	109
Auditors' remuneration for audit	12	11
Exceptional items		
Redundancy costs	137	136
Relocation costs	75	-

Remuneration of the company's auditors for non-audit services to the company was £6,000. This includes taxation compliance.

5 Directors' emoluments

	1995 £'000	1994 £'000
Salary payments (including benefits in kind)	201	191
Pension contributions	43	42
	<u>244</u>	<u>233</u>
Compensation for loss of office *	64	-
	<u>308</u>	<u>233</u>

* Includes the monetary value of a car retained by the director.

Directors' emoluments excluding pension contributions are as follows:

	1995 £'000	1994 £'000
Emoluments of the chairman	-	-
Emoluments of the highest paid director		
Salary payments (including benefits in kind)	33	46
Compensation for loss of office	64	-
	<u>97</u>	<u>46</u>

The number of directors (including the chairman and the highest paid director) whose emoluments (excluding pension contributions) were within the following ranges:

	1995 Number	1994 Number
£Nil to £5,000	5	4
£35,001 to £40,000	1	3
£40,001 to £45,000	2	-
£45,001 to £50,000	1	1
£95,001 to £100,000	1	-
	<u>10</u>	<u>8</u>

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:

	1995 Number	1994 Number
Production	84	88
Sales and administration	15	20
Executive directors	5	4
	<u>104</u>	<u>112</u>

Employment costs - all employees including executive directors:

	1995 £'000	1994 £'000
Staff costs (for the above persons)		
Wages and salaries	1,574	1,560
Social security costs	125	110
Other pension costs (see note 18)	283	268
Redundancy costs	137	136
Compensation for loss of office	55	-
	<u>2,174</u>	<u>2,074</u>

7 Interest payable and similar charges

	1995 £'000	1994 £'000
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	88	56
Repayable by instalments within 5 years	66	82
	<u>154</u>	<u>138</u>

8 Tax on profit on ordinary activities

	1995 £'000	1994 £'000
UK corporation tax at 33% (1994: 33%)	253	144
Adjustment in respect of earlier years	-	(1)
	<u>253</u>	<u>143</u>

9 Dividends paid and proposed

	1995 £'000	1994 £'000
Dividends on non-equity shares		
Preference shares		
Final dividend proposed	66	47
Dividends on equity shares		
Ordinary shares		
Final dividend of 23.5p per share proposed	169	118
	<u>235</u>	<u>165</u>

10 Tangible fixed assets

	Freehold land £'000	Long leasehold buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 January 1995	10	1,250	2,111	112	3,483
Additions	-	-	303	32	335
Disposals	-	-	(151)	(34)	(185)
	<u>10</u>	<u>1,250</u>	<u>2,263</u>	<u>110</u>	<u>3,633</u>
Depreciation					
At 1 January 1995	-	13	1,336	43	1,392
Charge for the year	-	13	96	21	130
Disposals	-	-	(126)	(18)	(144)
	<u>-</u>	<u>26</u>	<u>1,306</u>	<u>46</u>	<u>1,378</u>
Net book value					
At 31 December 1995	<u>10</u>	<u>1,224</u>	<u>957</u>	<u>64</u>	<u>2,255</u>
At 31 December 1994	<u>10</u>	<u>1,237</u>	<u>775</u>	<u>69</u>	<u>2,091</u>

Tangible fixed assets (Continued)

- (a) The leasehold land and buildings are included in the financial statements at a valuation undertaken at 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.
- (b) The historic cost and depreciation of the revalued land and buildings are set out below:

	Leasehold land and buildings £'000
Historic cost	369
Aggregate depreciation based on cost	(89)
Net book value based on cost	<u>280</u>

11 Stocks and work in progress

	1995 £'000	1994 £'000
Raw materials and consumables	2,043	1,701
Work in progress	360	381
Finished goods	964	409
	<u>3,367</u>	<u>2,491</u>

The current replacement cost of stocks and work in progress is not significantly different from that at the balance sheet date.

12 Debtors: amounts falling due within one year

	1995 £'000	1994 £'000
Trade debtors	6,326	4,503
Other debtors	188	41
Prepayments and accrued income	170	103
	<u>6,684</u>	<u>4,647</u>

13 Creditors: amounts falling due within one year

	1995 £'000	1994 £'000
Bank loans and overdraft (see (a) below)	2,711	987
Trade creditors	3,457	1,966
Other creditors including:		
Taxation and social security (see (b) below)	299	219
Dividends payable	235	165
Accruals and deferred income	483	194
	<u>7,185</u>	<u>3,531</u>

(a) The bank loans and overdraft are secured on the company's freehold and leasehold premises and by a fixed and floating charge on the other assets of the company.

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

	1995 £'000	1994 £'000
United Kingdom corporation tax payable	255	184
PAYE and social security	44	35
	<u>299</u>	<u>219</u>

14 Creditors: amounts falling due after more than one year

	1995 £'000	1994 £'000
Bank loan account (see below)	85	897

Bank loan

	1995 £'000	1994 £'000
In one year or less	306	506
Between two and five years	85	391
	<u>391</u>	<u>897</u>

The bank loans bear interest at rates of between 9.5% and 10.35% per annum. The loans are repayable in monthly instalments of £38,841 and quarterly instalments of £23,038. Security for the bank loan is set out in note 13 (a) above.

15 Deferred taxation

In accordance with the accounting policy in note 1 and on the basis of the projected movement in tangible fixed assets, no provision is made for deferred taxation. The full potential liability is set out below:

	1995 £'000	1994 £'000
Effect of timing differences		
Excess of tax allowances over depreciation	205	185
Other	(38)	(10)
Capital gain arising on revaluation	65	70
	<u>232</u>	<u>245</u>

16 Called up share capital

	1995 £'000	1994 £'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
	<u>1,000</u>	<u>1,000</u>

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 1995 £42,000 (1994: £32,000) of this revaluation 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

The company participates in a defined benefit pension scheme operated by The Standard Life Assurance Company providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company.

The total pension cost for the company was £283,000 (1994: £268,000). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 5 April 1995. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 8.5% per annum and that salary increases would average 7% per annum.

At the date of the latest actuarial valuation, the market value of the scheme was £3.82 million, which equalled 109% of the liabilities for benefits in respect of service up to that date. The contributions of the company and employees will remain at 14.05% and 6.75% respectively.

An amount of £37,000 (1994: £20,000) is included in accruals, which represents the excess of the accumulated pension cost payable in relation to actual pensionable salary over estimated pensionable salary for which premiums paid have been assessed.

An amount of £48,000 (1994: £Nil) is included in prepayments, which represents the excess of contributions paid to the pension fund over the accumulated pension cost.

The most significant assumption made in undertaking this review was that the rate of interest attributable to the scheme would exceed the rate of salary increase by 1.5%.

19 Capital commitments

The board had not authorised or contracted for any further capital expenditure at 31 December 1995.

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

	1995 £'000	1994 £'000
Operating profit	871	609
Depreciation on tangible fixed assets	130	108
Loss on sale of tangible fixed assets	28	7
Increase in stocks	(876)	(310)
(Increase)/decrease in trade debtors	(1,822)	646
Increase in other debtors	(189)	-
(Increase)/decrease in prepayments and accrued income	(67)	28
Increase in trade creditors	1,491	466
Increase/(decrease) in other taxation and social security creditor	9	(7)
Increase/(decrease) in accruals and deferred income	289	(1)
Net cash (outflow)/inflow from operating activities	(136)	1,546

21 Analysis of changes in financing during the year

	1995 Bank loans £000	1994 Bank loans £000	1994 Promissory notes £000
At 1 January	897	1,070	126
Inception of loans	-	235	-
Repayments	(506)	(408)	(126)
At 31 December	391	897	-

22 Cash and cash equivalents

	1995 £'000	1994 £'000	
At 1 January 1995	(981)	(1,570)	
Net cash (outflow)/inflow	(1,418)	589	
At 31 December 1995	(2,399)	(981)	
			Change in year £'000
Analysis of balances			
Cash at bank and in hand	6	6	-
Bank overdraft	(2,405)	(987)	(1,418)
At 31 December 1995	(2,399)	(981)	(1,418)