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Company Registration No. 00995387 (England and Wales)

PRESSPART MANUFACTURING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

PRESSPART MANUFACTURING LIMITED

COMPANY INFORMATION

Directors	D J Biggs J Hemy G Clark D Schmitz P Schmelzer
Secretary	D Schmitz
Company number	00995387
Registered office	Whitebirk Industrial Estate Blackburn BB1 5RF
Independent Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	HSBC Bank plc 60 Church Street Blackburn BB1 5AS

PRESSPART MANUFACTURING LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The dırectors present theır report and financıal statements for the year ended 31 December 2012

Principal activities and review of the business

Actıvitıes

Presspart Manufacturıng Lımıted ıs a wholly owned subsıdıary of the Heıtkamp & Thumann Group, a famıly owned global enterprıse founded ın 1978, wıth a mıssıon to be leadıng global partners for the supply of world class precısıon formed components ın both metal and plastıc

The Heıtkamp & Thumann Group has more than twenty medıum-sızed companıes wıthın four busıness dıvısıons and a head office ın Germany, Presspart Manufacturıng Lımıted operates wıthın the Presspart dıvısıon

Wıth more than 40 years' experıence and a worldwıde reputatıon for competence, qualıty and ınnovatıon the actıvıty of Presspart Manufacturıng Lımıted ın the Unıted Kıngdom ıs to manufacture hıgh precısıon deep drawn metal parts for the Pharmaceutıcal ındustry and other ındustrıal sectors

Financial performance

As shown ın the company's profit and loss account on page 8, total company sales have decreased by 9% Thıs ıs maınly due to change ın product mıx and varıous destock programmes run by our customers

Total gross operatıng margıns have ımproved by 0 1% compared to the prevıous year Thıs ıs maınly due to contınued operatıonal ımprovements through lean management and operatıonal excellence ıncentıves

Trade debtors of Presspart Manufacturıng Lımıted at 31 December 2012 were equıvalent to 40 days (2011 - 39 days)

Inventory days of Presspart Manufacturıng Lımıted at 31 December 2012 were 35 days (2011 - 30 days) The 5 day ıncrease ıs due to buıldıng safety stock as the company swıtches over to a new wash plant ın the first half of 2013, thıs ınvestment brıngs a more sustaınable process to the company

The cash balance of Presspart Manufacturıng Lımıted at the year end was £0 512m (2011 - £0 081m), an ıncrease of £0 431m Full detaıls of the movement between the openıng and closıng cash balances can be found on page 11

Dividends

A dıvıdend of £1 5m was paıd for the year ended 31 December 2012 to our Parent Company, (2011 - £5m)

Future prospects

Presspart Manufacturing Limited remains dedicated to its core business in the Pharmaceutical and Industrial division In 2013 it will continue making significant progress with its Pharmaceutical strategy and Industrial strategies Presspart is committed to continuous innovation, providing customers with access to leading edge technologies and next generation solutions to meet their needs in an increasingly demanding global market

Lean management is a very important part of Pressparts' business philosophy and the company has made significant investment into lean manufacturing and operational excellence to eliminate waste and keep costs down for our customers In 2013 Presspart will further optimise its layout of its production facilities to support its lean manufacturing principles

Risks and uncertainties

Competitive global pressure, high UK inflation rates and a strong pound sterling to euro exchange rate are a continuing risk for the company, which could result in it losing sales to its key competitors The company manages this risk by providing high quality products to its customers, having fast response times in supplying products, underpinned by long to medium contracts with customers

The fluctuations in raw material market prices and scrap prices are a continuing, high ranking risk to the business Continued global trends such as volatile euro to sterling rates intensify this risk as the majority of raw material purchases come from European suppliers The company continues to try to minimise this risk by entering into long term supplier contracts with partial price hedging

Credit risk

Presspart Manufacturing Limited has a credit control policy where appropriate credit checks are made on potential customers and suppliers before any transactions occur For existing customers, the company closely monitors their continued creditability via an external rating agency A monthly reporting structure is established to make directors aware of any changes to credit risks

Health, safety and environment

Presspart Manufacturing Limited is engaged in the manufacture of deep drawn metal pressings for a range of different industries We recognise our responsibility in supplying products to our customers whilst striving to provide quality excellence, and endeavouring to minimise the impact on the environment In pursuit of environmental excellence, we operate an Environmental Management System in compliance with the ISO 14001 2004 standard Through this system we establish and review objectives, targets and improvement programmes in line with our significant environmental aspects

Significant investment continues to be made in Health, Safety and Environmental projects, where particular attention has been given to developing strategies for sustainability and in particular improving energy efficiency

Future objectives include implementation of the OHSAS 18001 standard for Occupational Health and Safety Management

Employment policies

Details of employees and related costs can be found in note 23 to the financial statements on page 27

The workforce is one of the major success factors of the company which is why Presspart has launched a Health Management System for its employees - recently it has introduced a healthy eating campaign

Employees are also developed through a variety of training courses that supports the continuous optimisation of internal know-how within Presspart

Presspart Manufacturing Limited is committed to ensuring equal opportunities for all current and potential members of the company It is committed to the promotion of standards of personal conduct based on respect for and the dignity of individuals It is the company's policy to provide a working environment free from discrimination All employees of Presspart are expected to support and contribute to the maintenance of this policy

Employment of disabled people

The company gives full and fair consideration to the application for employment made by disabled people, having regard to their particular aptitude and abilities Should employees become disabled, consideration would be given to appropriate training, including retraining for alternative work within the company

Creditors payment policy

It is the policy of the company to agree appropriate terms and conditions for its transactions with suppliers and that payments should be made in accordance with these terms and conditions, providing that the supplier has also complied with them

Where possible the company will take advantage of early settlement discounts Trade creditors of Presspart Manufacturing Limited at 31 December 2012 were equivalent to 16 days (2011 - 25 days) The main reason for the decrease in creditor days was due to having a decreased mix of purchase ledger invoices on the purchase ledger at the end of 2012

Directors

The 2012 membership of the board is shown below, all directors served throughout the year

D J Biggs
J Hemy
G Clark
D Schmitz
P Schmelzer

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

D Schmitz
Secretary
14 MARCH 2013

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRESSPART MANUFACTURING LIMITED

We have audited the financial statements of Presspart Manufacturing Limited for the year ended 31 December 2012 set out on pages 8 to 29 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

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

INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF PRESSPART MANUFACTURING LIMITED

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

Lorenzo Mosca (Senior Statutory Auditor)
for and on behalf of Saffery Champness

15 March 2013

Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

PRESSPART MANUFACTURING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £000	2011 £000
Turnover	2	25,578	28,261
Cost of sales		(18,761)	(20,760)
Gross profit		6,817	7,501
Distribution costs		(1,815)	(1,654)
Administrative expenses		(1,797)	(1,918)
Operating profit	3	3,205	3,929
Other interest receivable and similar income	4	1	21
Interest payable and similar charges	5	(141)	(86)
Profit on ordinary activities before taxation		3,065	3,864
Tax on profit on ordinary activities	6	(678)	(992)
Profit for the year	17	2,387	2,872

The profit and loss account has been prepared on the basis that all operations are continuing operations

The notes on pages 12 to 29 form part of these financial statements

PRESSPART MANUFACTURING LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £000	2011 £000
Profit for the financial year		2,387	2,872
Actuarial loss on pension scheme		(1,087)	(413)
Movement on deferred tax relating to pension asset		97	(11)
Total recognised gains and losses relating to the year		1,397	2,448

PRESSPART MANUFACTURING LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Intangible assets	8		288		250
Tangible assets	9		7,321		6,745
			7,609		6,995
Current assets					
Stocks	10	2,372		2,174	
Debtors	11	3,137		3,356	
Cash at bank and in hand		512		81	
		6,021		5,611	
Creditors: amounts falling due within one year	12	(5,716)		(5,228)	
Net current assets			305		383
Total assets less current liabilities			7,914		7,378
Creditors: amounts falling due after more than one year	13		-		(1)
Provisions for liabilities	14		(546)		(660)
			7,368		6,717
Retirement benefit obligations	15		(4,464)		(3,710)
			2,904		3,007
Capital and reserves					
Called up share capital	16		25		25
Profit and loss account	17		2,879		2,982
Shareholders' funds	18		2,904		3,007

The notes on pages 12 to 29 form part of these financial statements

Approved by the Board and authorised for issue on 14 MARCH 2013

G Clark
Director

D Schmitz
Director

Company Registration No. 00995387

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	£000	2012 £000	£000	2011 £000
Net cash inflow from operating activities	25		3,517		3,923
Returns on investments and servicing of finance					
Interest received		1		21	
Interest paid		(88)		(10)	
Net cash outflow for returns on investments and servicing of finance			(87)		11
Taxation			(948)		(983)
Capital expenditure and financial investment					
Payments to acquire intangible assets		(65)		(250)	
Payments to acquire tangible assets		(1,666)		(1,357)	
Loan from group company		1,161		1,889	
Repayment of loan by group company		-		1,000	
Receipts from sales of tangible assets		23		103	
Net cash (outflow)/inflow for capital expenditure and financial investment			(547)		1,385
Equity dividends paid			(1,500)		(5,000)
Net cash inflow/(outflow) before management of liquid resources and financing			436		(664)
Financing					
Capital element of hire purchase contracts		(5)		(8)	
Net cash outflow from financing			(5)		(8)
Increase/(decrease) in cash in the year	26, 27		431		(672)

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

The transitional arrangements of FRS 15 have been adopted in the case of certain plant and machinery and properties which were revalued prior to the implementation of that standard The plant and machinery was last revalued in 1988 and the properties were last revalued in 1991 and the valuations have not subsequently been updated

Depreciation is not provided on freehold land On other assets it is provided on cost in equal instalments over the estimated useful lives of the assets Provision is made for any impairment The rates of depreciation are as follows

Land and buildings Freehold	40 years
Plant and machinery	3 - 20 years
Fixtures, fittings & equipment	10 years
Motor vehicles	4 years

1.5 Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives The finance charges are allocated over the period of the lease in proportion to the capital element outstanding

Operating lease rentals are charged to the income statement in equal annual amounts over the lease term

1.6 Stock

Stocks and work-in-progress, other than on long-term contracts, are stated at the lower of cost and net realisable value Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production Net realisable value is based on estimated selling price, less all further costs to completion and all relevant marketing, selling and distribution costs

1.7 Revenue recognition

Revenue is recognised when goods have been delivered to the customer

1 Accounting policies **(continued)**

1.8 Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

For the defined benefit section the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments They are included as part of staff costs Past service costs are recognised immediately in the profit and loss account if the benefits have vested If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs The interest cost and the expected return on assets are shown as a net amount of other financial costs or credits adjacent to interest Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

The defined benefit section is funded, with the assets held separately from those of the company, in separate trustee administered funds Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities The actuarial valuations are obtained at least triennially and are updated at each balance sheet date The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet

1.9 Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date

1.10 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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 more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

1.11 Licenses

Licenses are valued at cost less accumulated amortisation Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives

1 Accounting policies (continued)

1.12 Grants

Grants received are treated as deferred credit and released to revenue over the life of the asset to which they relate

2 Turnover

Geographical market

	Turnover 2012 £000	2011 £000
United Kingdom	4,428	4,969
Rest of Europe	13,842	16,306
The Americas	2,580	2,306
Other	4,728	4,680
	25,578	28,261

3 Operating profit

	2012 £000	2011 £000
Operating profit is stated after charging		
Amortisation of intangible assets	27	-
Depreciation of tangible assets	1,075	977
Loss on foreign exchange transactions	62	44
Operating lease rentals		
- Plant and machinery	25	28
- Other assets	45	58
Fees payable to the company's auditor for the audit of the company's annual accounts	18	17
Fees payable to the company's auditors for non audit work	4	4
and after crediting		
Government grants	(4)	(8)
Profit on disposal of tangible assets	(8)	(8)

Fees payable to the company's auditor in respect of the audit of the Presspart Retirement Benefits Scheme were £4,000 (2011 - £4,000)

4 Investment income	2012 £000	2011 £000
Bank interest	1	1
Interest received from loans made to group undertakings	-	20
	1	21

5 Interest payable	2012 £000	2011 £000
On amounts payable to group companies	87	9
Hire purchase interest	1	1
Finance charges in respect of defined benefit scheme	53	76
	141	86

6 Taxation

	2012 £000	2011 £000
Domestic current year tax		
U K corporation tax	768	1,058
Adjustment for prior years	23	3
Total current tax	791	1,061
Deferred tax		
Deferred tax credit current year	(43)	(112)
Deferred tax adjustment for prior years	(70)	43
	(113)	(69)
	678	992

	2012 £000	2011 £000
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	3,065	3,864
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 00% (2011 - 28 00%)	736	1,082
Effects of		
Non deductible expenses	(28)	3
Depreciation in excess of capital allowances	44	32
Short term timing differences	-	2
Differences in tax rates	16	(61)
Adjustments in respect of prior years	23	3
	55	(21)
Current tax charge for the year	791	1,061

7 Dividends

	2012 £000	2011 £000
Ordinary interim paid	1,500	5,000

8 Intangible fixed assets

	Licenses £000
Cost	
At 1 January 2012	250
Additions	65
At 31 December 2012	315
Amortisation	
At 1 January 2012	-
Charge for the year	27
At 31 December 2012	27
Net book value	
At 31 December 2012	288
At 31 December 2011	250

9 Tangible fixed assets

	Land and buildings Freehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2012	2,189	1,316	12,551	3,857	12	19,925
Transfer from Assets under construction	-	(1,316)	1,316	-	-	-
Additions	185	647	409	425	-	1,666
Disposals	(1)	-	(307)	(88)	-	(396)
At 31 December 2012	2,373	647	13,969	4,194	12	21,195
Depreciation						
At 1 January 2012	871	-	9,643	2,654	12	13,180
On disposals	-	-	(303)	(78)	-	(381)
Charge for the year	79	-	681	315	-	1,075
At 31 December 2012	950	-	10,021	2,891	12	13,874
Net book value						
At 31 December 2012	1,423	647	3,948	1,303	-	7,321
At 31 December 2011	1,318	1,316	2,908	1,203	-	6,745

Comparable historical cost for the land and buildings included at valuation:

	£000
Cost	
At 1 January 2012 & at 31 December 2012	3,698
Depreciation based on cost	
At 1 January 2012	2,895
Charge for the year	25
At 31 December 2012	2,920
Net book value	
At 31 December 2012	778
At 31 December 2011	803

9 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £000
Net book values	
At 31 December 2012	2
At 31 December 2011	7
Depreciation charge for the year	
At 31 December 2012	5
At 31 December 2011	5

Freehold land amounting to £400,000 (2011 - £400,000) has not been depreciated

10 Stocks

	2012 £000	2011 £000
Raw materials and consumables	907	1,050
Finished goods and goods for resale	1,465	1,124
	2,372	2,174

11 Debtors

	2012 £000	2011 £000
Trade debtors	2,676	2,832
Amounts owed by parent and fellow subsidiary undertakings	-	9
Other debtors	257	259
Prepayments and accrued income	204	256
	3,137	3,356

12 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Net obligations under hire purchase contracts	2	6
Trade creditors	808	1,334
Amounts owed to parent and fellow subsidiary undertakings	3,050	1,898
Corporation tax	439	595
Other taxes and social security costs	116	145
Accruals and deferred income	1,301	1,250
	5,716	5,228

13 Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
Net obligations under hire purchase contracts	-	1

Net obligations under hire purchase contracts		
Repayable within one year	2	6
Repayable between one and five years	-	1
	2	7
Included in liabilities falling due within one year	(2)	(6)
	-	1

14 Provisions for liabilities

	Deferred tax liability £000
Balance at 1 January 2012	660
Profit and loss account	(114)
Balance at 31 December 2012	546

The deferred tax liability is made up as follows:

	2012 £000	2011 £000
Accelerated capital allowances	557	671
Other timing differences	(11)	(11)
	546	660

15 Pension and other post-retirement benefit commitments

	2012 £000	2011 £000
Contributions payable by the company for the year in respect of the defined benefit scheme	339	223
Contributions payable by the company for the year in respect of the defined contribution scheme	341	353

Defined benefit

The company operates a funded defined benefit scheme arrangement The assets are held independently of the company in trustee administered funds The defined benefit section was frozen on 1 October 2001 and subsequent contributions were made to a defined contribution scheme, the assets of which are held independently of the company in trustee administered funds

A full actuarial valuation was last undertaken by qualified independent actuaries on 6 April 2011, using a market based approach That valuation has been updated to 31 December 2012 by the independent actuaries

The value of the assets of the scheme was £13,541,000 (2011 - £13,287,000) and this was sufficient to cover 70% (2011 - 73%) of the benefits which had accrued to members

	2012 %	2011 %
The major assumptions used by the actuary were:		
Revaluation rate for deferred pensioners of CPI subject to a maximum of 5% p a	1 60	1 70
Pension in payment increases of RPI subject to a maximum of 5% p a	2 60	2 60
Discount rate	4 90	5 20
Average long term expected rate of return on assets	5 70	6 70
Inflation assumption	2 60	2 70

15 Pension and other post-retirement benefit commitments (continued)

	2012 £000	2011 £000
The assets in the scheme are as follows.		
Equities	7,041	6,245
Bonds	2,167	1,993
Cash	271	399
Other assets	4,062	4,650
Total fair value of assets	13,541	13,287
Present value of scheme liabilities	(19,339)	(18,234)
Deficit in scheme	(5,798)	(4,947)
Related deferred tax asset	1,334	1,237
Net pension liability	(4,464)	(3,710)

	2012 £000	2011 £000
Analysis of the amount charged to operating profit		
Current service cost	(50)	(58)
Total operating charge	(50)	(58)
Analysis of the amount credited to other finance income		
Expected return on pension scheme assets	878	875
Interest on pension scheme liabilities	(931)	(951)
Net return	(53)	(76)
Analysis of amount recognised in the statement of total recognised gains and losses		
Actual return less expected return on pension scheme assets	(262)	(430)
Experience gains and losses arising on scheme liabilities	13	(611)
Changes in assumptions underlying the present value of the scheme liabilities	(838)	628
Actual loss recognised in the statement of total recognised gains and losses	(1,087)	(413)

15 Pension and other post-retirement benefit commitments (continued)

	2012 £000	2011 £000
Movement in deficit during the year		
Deficit in scheme at 1 January 2012	(4,947)	(4,623)
Operating charge	(50)	(58)
Other finance income	(53)	(76)
Contributions made	339	223
Actuarial losses	(1,087)	(413)
Deficit in scheme at 31 December 2012	(5,798)	(4,947)

The contributions made by the employer over the financial year have been £339,000, equivalent to £28,250 per calender month This level of contribution is expected to continue at similar levels for the next year There is no longer any accrual of benefits in the defined benefits section

History of experience gains and losses

	2012 £000	2011 £000	2009 £000	2008 £000	2007 £000
Difference between the expected and actual return on scheme assets					
Amount	(262)	(430)	422	1,474	(2,510)
Percentage of scheme assets	(1 93%)	(3 24%)	3 18%	11 92%	(23 75%)
Experience gains and losses on scheme liabilities					
Amount	13	(611)	(53)	(43)	(74)
Percentage of the present value of the scheme liabilities	0 07%	(3 35%)	(0 30%)	(0 26%)	(0 58%)
Total amount recognised in statement of recognised gains and losses					
Amount	(1,087)	(413)	(691)	(1,710)	(466)
Percentage of the present value of scheme liabilities	(5 62%)	(2 26%)	(3 86%)	(10 47%)	(3 65%)

16 Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
25,000 ordinary shares of £1 each	25	25

17 Statement of movements on profit and loss account

	Profit and loss account £000
Balance at 1 January 2012	2,982
Profit for the year	2,387
Dividends paid	(1,500)
Actuarial gains or losses on pension scheme assets	(1,087)
Movement on deferred tax relating to pension asset	97
Balance at 31 December 2012	2,879

18 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Profit for the financial year	2,387	2,872
Dividends	(1,500)	(5,000)
	887	(2,128)
Other recognised gains and losses	(1,087)	(413)
Movement on deferred tax relating to pension asset	97	(11)
Net depletion in shareholders' funds	(103)	(2,552)
Opening shareholders' funds	3,007	5,559
Closing shareholders' funds	2,904	3,007

19 Contingent liabilities

A contingent liability exists in that the Trustees of the Presspart Manufacturing Retirement Benefit Scheme have the right to request a one-off payment into the scheme The amount of any claim is not yet determined, however the directors estimate that a claim, if made, would not be more than £173,000

20 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Other 2012 £000	2011 £000
Operating leases which expire		
Within one year	7	20
Within two to five years	54	29
	61	49

21 Capital commitments

	2012 £000	2011 £000
At 31 December 2012 the company had capital commitments as follows		
Authorised but not contracted for	419	160

22 Directors' emoluments

	2012 £000	2011 £000
Emoluments for qualifying services	429	715
Company pension contributions to money purchase schemes	42	76
	471	791

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2011 - 4)

	2012 £000	2011 £000
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	170	311
Company pension contributions to money purchase schemes	16	35

23 Employees

Number of employees
The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Production	118	116
Sales and distribution	11	10
Administration	12	11
	141	137

Employment costs	**2012 £000**	**2011 £000**
Wages and salaries	4,391	4,589
Social security costs	380	390
Other pension costs	341	354
	5,112	5,333

24 Control

The ultimate parent company is Heitkamp and Thumann KG, a company based in Germany This is also the ultimate controlling party of the company

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

	2012 £000	2011 £000
Operating profit	3,205	3,929
Depreciation of tangible and intangible assets	1,102	977
Profit on disposal of tangible assets	(8)	(8)
Increase in stocks	(198)	(141)
Decrease/(increase) in debtors	219	(786)
(Decrease)/increase in creditors within one year	(513)	117
Pension scheme non-cash movement	(289)	(165)
Net cash inflow from operating activities	3,517	3,923

26 Analysis of net funds

	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
	£000	£000	£000	£000
Net cash				
Cash at bank and in hand	81	431	-	512
Debt				
Finance leases	(7)	5	-	(2)
Net funds	74	436	-	510

27 Reconciliation of net cash flow to movement in net funds

	2012	2011
	£000	£000
Increase/(decrease) in cash in the year	431	(672)
Cash outflow from decrease in debt and lease financing	5	8
Movement in net funds in the year	436	(664)
Opening net funds	74	738
Closing net funds	510	74

28 Major non-cash transactions

There were no major non-cash transactions in the year

29 Related party relationships and transactions

The company undertakes transactions with a number of companies in the Heitkamp and Thumann Group during the normal course of business

During the year recharges of £359,145 (2011 - £302,321) were made by Heitkamp and Thumann GmbH and Co KG to Presspart Manufacturing Limited, of which £nil (2011 - £nil) was outstanding at the year end and recharges of £139 (2011 - £nil) were made from Heitkamp and Thumann Finance BV of which £80 (2011 - £nil) is outstanding at the year end During the year, recharges were also made from Presspart Manufacturing Limited to Heitkamp and Thumann GmbH and Co KG of £nil (2011 - £14,054)

In 2011 Heitkamp and Thumann Finance BV made a loan of £1,889,198 to Presspart Manufacturing Limited, which was repaid during the year Interest of £71,182 (2011 - £9,288) was charged on this loan at 3 339% During the year a loan of £3,034,637 was made by Heitkamp and Thymann Finance BV to Presspart Manufacturing, which was outstanding at the year end Interest of £15,218 was charged on this loan during the year and was outstanding at the year end The interest applicable to the loan is 3 333%

During the year recharges of £1,959 (2011 - £nil) were made by H&T Marsberg GmbH & Co KG to Presspart Manufacturing Limited

During the year recharges of £12,381 (2011 - £46,672) were made by H&T Tool Design GmbH & Co KG to Presspart Manufacturing Limited and Presspart Manufacturing Limited purchased £18,441 (2011 - £55,651) of capital items from the company

During the year Presspart Manufacturing Limited made recharges of £508,912 (2011 - £506,513) to Presspart GmbH & Co KG, and recharges of £361,657 (2011 - £392,039) were made by Presspart GmbH & Co KG to Presspart Manufacturing Limited Presspart Manufacturing Limited sold £4,543 of tooling to Presspart GmbH & Co KG and purchased £250,241 of raw materials from Presspart GmbH & Co KG

During the year recharges of £204,704 (2011 - £185,810) were made by H&T Waterbury to Presspart Manufacturing Limited

During the year Presspart Manufacturing Limited made sales of £56,192 (2011 - £nil) to Presspart Manufacturing S A , recharged expenses of £305,810 (2011 - £316,751) to Presspart Manufacturing S A and charged interest of £194 (2011 - £nil) to Presspart Manufacturing S A Presspart Manufacturing S A made recharges of £39,836 (2011 - £nil) to Presspart Manufacturing Limited

During the year Dongguan Heitkamp and Thumann Metal Products Limited made recharges of £79,252 (2011 - £74,814) to Presspart Manufacturing Limited