

Sapa Profiles Limited

Report and Financial Statements

31 December 2012

Registered No 2448020

MONDAY



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COMPANIES HOUSE

Sapa Profiles Limited

Directors

A P Daniels

D P Ashby

Secretary

D P Ashby

Auditors

Ernst & Young LLP

The Paragon

Counterslip

Bristol BS1 6BX

Bankers

Barclays Bank plc

128 High Street

Cheltenham

Gloucestershire GL50 1EL

Registered Office

5300 Severn Drive

Tewkesbury

Gloucestershire GL20 8TX

Registered No 2448020

Directors' report

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

Results and dividends

The profit for the year after taxation amounted to £14,885,000 (2011 – £nil) The directors do not recommend a final dividend (2011 – £nil)

Principal activities and review of the business

The operations of the company were discontinued when the company transferred its trade and net assets to Sapa Profiles UK Limited on 31 May 2007

The company's principal activities during the year continued to be those of an investment parent undertaking and a provider of corporate services to Sapa UK Limited and its subsidiaries

Future developments

The company will continue as an investment parent undertaking

Directors

The directors who served the company during the year and appointed subsequently were as follows

A P Daniels

D P Ashby

N K Sissons (resigned 19 July 2012)

Disabled employees

Wherever possible it is company policy to employ disabled persons, to offer continuity of employment to employees who become disabled, and to provide career and training opportunities commensurate with their abilities

Employee involvement

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company This is achieved through formal and informal meetings

Health and safety at work Act 1974

It is the company's policy that all possible steps will be taken at all times to ensure the health and safety of persons and to prevent damage to the company's property In accordance with the Act, a comprehensive policy statement together with health and safety rules has been issued within the company to all its employees

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Directors' report (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



D P Ashby
Secretary

Date 20/5/13

Statement of directors' responsibilities

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 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, 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 auditors' report

to the members of Sapa Profiles Limited

We have audited the financial statements of Sapa Profiles Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15. 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 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. In addition, we read all the financial and non-financial information in the Directors' 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 the 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 Sapa Profiles 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

Ernst & Young LLP

Ken Griffin (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

30 September 2013

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Operating profit	3	-	-
Profit on sale of fixed asset investment	7	14,818	-
Interest Received		89	-
Profit on ordinary activities before taxation		14,907	-
Taxation	6	(22)	-
Profit for the financial year		14,885	-

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £14,885,000 in the year ended 31 December 2012 (2011 – £nil)

Balance sheet

at 31 December 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Investments	7	-	29,065
Debtors	8	43,972	-
Creditors	9	(1,113)	(1,091)
Net current assets		42,859	(1,091)
Total assets less current liabilities		42,859	27,974
Net assets		42,859	27,974
Capital and reserves			
Called up share capital	10	6,000	6,000
Profit and loss account	11	36,859	21,974
Shareholders' funds	11	42,859	27,974


D P Ashby

Director

Date 26/5/13

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The financial statements have been prepared on the going concern basis as the Company's ultimate parent undertaking has committed to continue to support the company for the foreseeable future in order that it can meet its liabilities as and when they fall due

Group financial statements

The company has taken advantage of section 399 of the Companies Act 2006, whereby group financial statements have not been prepared

These financial statements present information about this company as an individual undertaking

Turnover

Turnover represents the invoiced value of sales, net of trade discounts, excluding value added tax

Turnover, which is stated net of value added tax and trade discounts, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

The company participates in the Sapa Holdings Limited Pension and Life Assurance Scheme, a funded defined benefit pension scheme, under which contributions are made to a separately administered trust fund. As it is not possible to identify the underlying assets and liabilities attributable to each participating company, multi employer treatment and therefore accounting on a defined contribution basis is applied

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Notes to the financial statements

at 31 December 2012

2 Turnover

No turnover has been received in the current or prior year

3. Operating profit

Audit fees were in the current and prior year paid by other group companies

4. Directors' remuneration

There were no retirement benefits accruing to the directors under the company's defined benefit scheme (2011 – £nil) Retirement benefits are accruing to one director under the company's defined contribution scheme (2011 – one)

The remuneration of the directors are paid for by their employing companies Accordingly the above details include no remuneration in respect of the aforementioned directors

5. Staff costs

	2012 £000	2011 £000
Wages and salaries	261	296
Social security costs	24	30
Other pension costs	40	42
	<u>325</u>	<u>368</u>

The average number of employees during the year was made up as follows

	No	No
Office and administration	<u>6</u>	<u>8</u>

The employees are loaned to another group company who pay their compensation Hence there are no profit and loss staff cost transactions to disclose

6. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2012 £000	2011 £000
Current tax		
Group relief payable	22	-
Total current tax (note 7(b))	<u>22</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total Tax		
Tax on ordinary activities	<u>22</u>	<u>-</u>

Notes to the financial statements

at 31 December 2012

6 Tax (continued)

(b) Factors affecting current tax loss for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	14,907	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	3,652	-
<i>Effects of</i>		
Non taxable income	(3,630)	-
Expenses not deductible for tax purposes	-	-
Current tax for the year (note 7(a))	22	-

(c) Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate were announced in the 2012 Autumn Statement and the March 2013 Budget Statement to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 are both expected to be enacted as part of Finance Act 2013.

Notes to the financial statements

at 31 December 2012

7. Investments

	<i>Subsidiary undertakings £000</i>
Cost	
At 1 January 2012	<u>29,065</u>
Disposals	<u>(29,065)</u>
As at 31 December 2012	<u>-</u>

The investment of 4% in Sapa Holding AB was sold on 28th September 2012 for a cash consideration of £43,883,000 to Sapa AB. The cash was then loaned back to Sapa AB as an interest bearing investment at 0.77%.

8. Debtors

	<i>2012 £000</i>	<i>2011 £000</i>
Amounts owed by group undertakings	<u>43,972</u>	-
	<u>43,972</u>	-

9. Creditors: amounts falling due within one year

	<i>2012 £000</i>	<i>2011 £000</i>
Amounts owed to group undertakings	<u>1,113</u>	1,091
	<u>1,113</u>	1,091

10. Issued share capital

		<i>2012 £000</i>		<i>2011 £000</i>
<i>Allotted, called up and fully paid</i>	<i>No</i>		<i>No</i>	
Ordinary shares of £1 each	6,000,000	<u>6,000</u>	6,000,000	<u>6,000</u>

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 2012	6,000	21,974	27,974
Profit for the year	-	14,885	14,885
At 31 December 2012	<u>6,000</u>	<u>36,859</u>	<u>42,859</u>

Notes to the financial statements

at 31 December 2012

12. Pensions

The company participates in the Sapa Holdings Limited Pension and Life Assurance Scheme, a funded defined benefit pension scheme under which contributions are made to a separately administered fund. This scheme was closed to new members on 1 July 1997.

Contributions to the scheme are determined with the advice of independent qualified actuaries using the projected unit method. The fund is valued every three years by a professionally qualified independent actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The most recent valuation was conducted as at 1 April 2012, the results of which are disclosed in the financial statements of Sapa UK Limited. An update of this valuation as at 31 December 2012 showed that the scheme had a deficit on an FRS17 basis of £9,361,000 (2011 – deficit of £10,515,000) none of which has been recognised in the company financial statements.

The company participated in the Sapa Holdings Limited Money Purchase Pension scheme until November 2002 when the scheme was replaced by the stakeholder pension scheme. Both of these schemes are defined contribution schemes. The assets of these schemes are held separately from those of the company in an independently administered fund.

The transactions with the pension schemes during the year were as follows:

	<i>Contributions</i>	
	<i>2012</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Defined benefit scheme	37	36
Defined contribution scheme	3	6
	<u>40</u>	<u>42</u>

The employees are loaned to another group company who pay their compensation and the related pension contributions. Hence there are no profit and loss transactions to disclose.

13. Contingent liabilities

The company has given an unlimited guarantee over the bank indebtedness of certain group companies.

Due to the nature of this contingent liability, it is not practicable to make an estimate of its financial effect or likelihood.

14. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the Sapa AB group.

15. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Sapa UK Limited, a company incorporated in England.

The directors consider the ultimate parent undertaking and controlling party to be Orkla ASA.

The largest group into which the results of the company are consolidated is that of which Orkla ASA is the parent undertaking. The group financial statements of Orkla ASA may be obtained from Corporate Headquarters, P O Box 423 Skoyen, Oslo, Norway.

The smallest such group is that of which Sapa AB is the parent undertaking, whose group financial statements may be obtained from Corporate Communications, Sapa AB, Box 5505, SE-114 85 Stockholm, Sweden.