

Sapa Profiles Limited

Report and Financial Statements

31 December 2013

TUESDAY



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30/09/2014

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COMPANIES HOUSE

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

Strategic report

The directors present their strategic report for the year ended 31 December 2013.

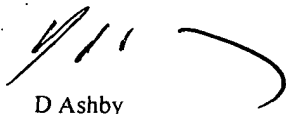
Review of the business

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 Ltd and its subsidiaries.

Sapa Profiles Ltd is a non trading wholly owned subsidiary of Sapa UK Ltd. It has no trading activity other than interest received from Sapa AB for a £30m deposit placed with that company. The interest received is passed on to Sapa UK Ltd via a dividend in order to assist Sapa UK Ltd in meeting its commitments to the Sapa Holding Pension Fund.

The directors will continue to monitor this strategy to ensure that it is appropriate

By order of the Board



D Ashby
Secretary

Date:

Directors' report

The directors present their report and financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year after taxation amounted to £193,000 (2012 – profit of £14,885,000). The directors have paid an interim dividend of £14,199,000 (2012 – £nil) and do not recommend the payment of any final dividend.

Future developments

The company will continue as an investment parent undertaking.

Directors

The directors who served the company during the year were as follows:

A P Daniels

D P Ashby

Going concern

The financial statements have been prepared on the going concern basis as the directors consider that the company has adequate resources for the foreseeable future in order that it can meet its liabilities as and when they fall due.

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.

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.

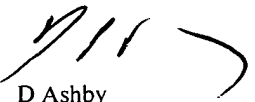
Disclosure of information to the auditors

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.

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 Ashby
Secretary

Date: 26/2/14

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 2013 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 14. 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 Statement of Directors' Responsibilities 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 and the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

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

29 September 2014

Income Statement

for the year ended 31 December 2013

		2013 £000	2012 £000
	Notes		
Operating profit	3,4	-	-
Profit on sale of fixed asset investment		-	14,818
Interest received		249	89
Profit on ordinary activities before taxation		249	14,907
Tax	7	(56)	(22)
Profit for the financial year		193	14,885

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £193,000 in the year ended 31 December 2013 (2012 – £14,885,000).

Statement of changes in equity

for the year ended 31 December 2013

	Called up Share capital £000	Retained earnings £000	Total Equity £000
At 1 January 2012	6,000	21,974	27,974
Profit for the year	-	14,885	14,885
At 1 January 2013	6,000	36,859	42,859
Profit for the year	-	193	193
Dividend paid	-	(14,199)	(14,199)
At 31 December 2013	6,000	22,853	28,853

Balance sheet

at 31 December 2013

	Notes	2013 £000	2012 £000
Current Assets			
Debtors	8	30,003	43,972
Cash		1	-
		<u>30,004</u>	<u>43,972</u>
Creditors: amounts falling due within one year	9	<u>(1,151)</u>	<u>(1,113)</u>
Net current assets		28,853	42,859
Total assets less current liabilities		<u>28,853</u>	<u>42,859</u>
Net assets		<u>28,853</u>	<u>42,859</u>
Capital and reserves			
Called up share capital	10	6,000	6,000
Profit and loss account		<u>22,853</u>	<u>36,859</u>
Shareholders' funds		<u>28,853</u>	<u>42,859</u>

D P Ashby

Director

20/9/14

Notes to the financial statements

at 31 December 2013

1. Statement of compliance with FRS 101

Sapa UK Limited is a limited company incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

2. Accounting policies

Basis of preparation

The company transitioned from previously extant UK Generally Accepted Accounting Standards to FRS 101 for all periods presented. No adjustments were identified upon this transition. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2013.

The company has taken advantage of the following disclosure exemptions under FRS 101.

- (a) The requirement of paragraph 91-99 of IFRS 12 Fair Value Measurement
- (b) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - Paragraph 79 (a)(iv) of IAS 1;
 - i) The requirements of paragraph 10 (d), 10 (f), 39 (c) and 134 – 136 of IAS 1 Presentation of Financial Statements
- (c) The requirements of IAS 7 Statement of Cash Flows. The company is exempt from preparing a cash flow statement as a group cash flow statement is prepared by its parent company, Sapa AS.
- (d) The requirements of paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting estimates and errors
- (e) The requirement of paragraph 17 of IAS 24 Related Party Disclosures
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member, and
- (g) The requirement of paragraphs 134(d) – 134(f) and 135(c) – 135(e) of IAS 36 Impairment of Assets.

Judgements and key sources of estimation uncertainty

The preparation of financial statements required management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors consider that none of their estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amount of assets and liabilities recognised at the balance sheet date.

Notes to the financial statements

at 31 December 2013

2 Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all temporary 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 temporary 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 temporary 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. The scheme is sponsored by Sapa UK Limited and contributions by the company are charged to the profit and loss account as they become payable. The company also 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.

3. Turnover

No turnover has been received in the current or prior year.

4. Operating profit

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

5. Directors' remuneration

The remuneration of the directors is paid by other group companies. No remuneration is considered to be attributable to their services to this company. There were retirement benefits accruing to 1 director under the company's defined benefit scheme (2012 – 1). No retirement benefits are accruing to directors under the company's defined contribution scheme (2012 – nil).

6. Staff costs

	2013 £000	2012 £000
Wages and salaries	261	261
Social security costs	27	24
Other pension costs	55	40
	<u>343</u>	<u>325</u>

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

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

Notes to the financial statements

at 31 December 2013

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £000	2012 £000
Current tax:		
Group relief payable	56	22
Total current tax (note 6(b))	56	22
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	56	22

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	249	14,907
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	58	3,652
Effects of:		
Non-taxable income	(2)	(3,630)
Expenses not deductible for tax purposes	-	-
Current tax for the year (note 6(a))	56	22

(c) Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015 was included in the Finance Act 2013 and was substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2013

8. Debtors

	2013	2012
	£000	£000
Amounts owed by group undertakings	30,003	43,972

9. Creditors: amounts falling due within one year

	2013	2012
	£000	£000
Amounts owed to group undertakings	1,151	1,113

10. Issued share capital

	No.	2013	No.	2012
		£000		£000
Allotted, called up and fully paid				
Ordinary shares of £1 each	6,000,000	6,000	6,000,000	6,000

11. 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 2013 showed that the scheme had a deficit on an FRS17 basis of £5,907,000 (2012 – deficit of £9,361,000) 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:

	Contributions	
	2013	2012
	£000	£000
Defined benefit scheme	52	37
Defined contribution scheme	3	3
	55	40

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.

Notes to the financial statements

at 31 December 2013

12. 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.

13. 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.

14. Ultimate parent undertaking and controlling party

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

The smallest and largest group of which the company is a member and which prepares group financial statements including the company is that headed by Sapa AS, a company incorporated in Norway. Copies of Sapa AS's group financial statements may be obtained from Corporate Communications, Sapa AB, Box 5505, SE-114 85 Stockholm, Sweden.

Sapa AS is jointly controlled by Orkla ASA and Norsk Hydro ASA, both being companies incorporated in Norway.