

Valpak 1997 Limited
(formerly Valpak Limited)

Financial Statements

for the year ended 31 December 2012

Registered Number 03331057

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Valpak 1997 Limited

Registered No 03331057

Company information

Directors

Lisa Regan (appointed 12 March 2012)
The Rt Hon John Gummer Lord Deben (resigned 6 March 2012)
Steve Gough (resigned 6 March 2012)
Philip Gale (resigned 6 March 2012)
Adrian Hawkes (resigned 6 March 2012)
George Chadfield (resigned 12 March 2012)
Andrew Green (resigned 12 March 2012)
Jacqueline O'Neill (resigned 12 March 2012)
Gerald Orbell (resigned 12 March 2012)
Martin Webb (resigned 12 March 2012)

Secretary

Philip Gale (resigned 6 March 2012)

Auditors

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

Solicitors

Shoosmiths LLP
2 Colmore Square
38 Colmore Circus Queensway
Birmingham
B4 6SH

Registered Office

Stratford Business Park
Banbury Road
Stratford-upon-Avon
CV37 7GW

Valpak 1997 Limited

Directors' report

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

Principal activities and business review

The Company's principal activities until 8 March 2012 were the delivery of compliance services within the regulated arena of Producer Responsibility, in particular packaging waste, WEEE and waste batteries

On 8 March 2012 the Company sold its business and its subsidiaries, with the exception of Sustainable Markets and Resources Trust, to Valpak Limited (formerly Valpak 2011 Limited) via a Scheme of Reconstruction (implemented by a Scheme of Arrangement) Members of Valpak 1997 Limited surrendered their ownership interest in return for one ordinary share in Valpak Limited All assets and liabilities of the Company at this date were transferred to Valpak Limited and the Company has since become a non-trading Company

Results and dividends

A loss after tax of £1,832,000 was reported for the Group up to the date the Group became non-trading on a turnover of £8.7 million No dividends were paid or proposed during the period (2011 nil)

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives have been considered together with the financial position of the Company, its principal risks and uncertainties and available borrowing facilities

Following the disposal of its business interests to Valpak Limited and also following its wholly owned subsidiary ceasing to trade the Company has become a dormant Company

Political and charitable contributions

The Company has not made any political or charitable contributions during the period

Directors of the Company

The current Directors are shown on page 1 Lisa Regan became the sole member of the Company following the Scheme of Reconstruction as referred to in the principal activities and business review

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 in connection with preparing its report, of which the auditors are unaware Having made enquiries of fellow Directors and the group's auditors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

Valpak 1997 Limited

Directors' report (continued)

Re-appointment of auditors

A resolution to reappoint Ernst & Young LLP as the Company's auditors will be put to the forthcoming Annual General Meeting in accordance with s 485 of the Companies Act 2006

By order of the board



Lisa Regan
Director
20 September 2013

Statement of Directors' responsibilities in respect of the accounts

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 Company 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 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.

Independent Auditors' report to the members of Valpak 1997 Limited

We have audited the financial statements of Valpak 1997 Limited for the year ended 31 December 2012 which comprise the group income and expenditure account, the group statement of total recognised gains and losses, the group and company balance sheets, the group statement of cash flows and related notes 1 to 21. 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 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly 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 to the members of Valpak 1997 Limited (continued)

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 by the parent company or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Anup Sodhi (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
24 September 2013

Valpak 1997 Limited

Group income and expenditure account

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover	2	8,743	42,188
Direct costs		(7,063)	(27,801)
Gross surplus		1,680	14,387
Indirect costs		(1,688)	(13,654)
Operating (deficit) / surplus	4	(8)	733
Loss on disposal of business	3	(1,775)	-
Bank interest receivable		8	63
Interest payable and similar charges	7	-	(2)
(Deficit) / surplus on ordinary activities before taxation		(1,775)	794
Tax on surplus on ordinary activities	8	(57)	(1,034)
Deficit on ordinary activities after taxation		(1,832)	(240)

All turnover and expenses included in the results for the year ended 31 December 2012 relate to operations which have been discontinued during the period

Statement of total recognised gains and losses

For the year ended 31 December 2012

Group	2012 £000	2011 £000
Loss for the financial year	(1,832)	(240)
Total losses recognised since last annual report	(1,832)	(240)

Company	2012 £000	2011 £000
(Loss) / profit for the financial year	(1,750)	844
(Loss) / gain on revaluation of investment in subsidiary undertakings	(82)	170
Total (losses) / gains recognised since last annual report	(1,832)	1,014

Valpak 1997 Limited

Group balance sheet

At 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Intangible fixed assets	9	-	-
Tangible fixed assets	10	-	2,292
		-	2,292
Current assets			
Stocks	12	-	922
Debtors amounts falling due within one year	13	-	5,957
Cash at bank and in hand and short term deposits	20	-	7,468
		-	14,347
Creditors amounts falling due within one year	15	-	(14,803)
Net current liabilities		-	(456)
Total assets less current liabilities		-	1,836
Creditors amounts falling due after more than one year	16	-	(4)
Net assets		-	1,832
Member's funds			
Capital	18	-	-
Income and expenditure account	19	-	1,832
Total members' funds		-	1,832

By order of the board



Lisa Regan
Director

20 September 2013
Company Number 03331057

Valpak 1997 Limited

Company balance sheet

At 31 December 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible fixed assets	10	-	1,912
Investments	11	-	170
		-	2,082
Current assets			
Stocks	12	-	739
Debtors amounts falling due within one year	13	-	7,626
Cash at bank and in hand and short term deposits	20	-	6,131
		-	14,496
Creditors amounts falling due within one year	15	-	(14,746)
Net current liabilities		-	(250)
Total assets less current liabilities		-	1,832
Net assets		-	1,832
Member's funds			
Capital	18	-	-
Revaluation reserve	19	-	170
Income and expenditure account	19	-	1,662
Total members' funds		-	1,832

By order of the board



Lisa Regan
Director

20 September 2013
Company Number 03331057

Valpak 1997 Limited

Consolidated cash flow statement

For the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Net cash inflow from operating activities	21	1,574	1,298
Return on investments and servicing of finance			
Interest received		8	63
Interest element of finance lease rental payments		-	(2)
Taxation			
Corporation tax paid		-	(1,342)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(32)	(632)
Receipts from sales of tangible fixed assets		-	11
Disposal of group cash assets to Valpak Limited		(9,010)	
Net cash outflow before management of liquid resources and financing		(7,460)	(604)
Management of liquid resources			
Decrease in short term deposits		6,965	35
Financing			
Repayments of capital element of finance leases and hire purchase contracts		(8)	(77)
Decrease in cash		(503)	(646)

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

1 Summary of significant accounting policies

a) Basis of preparation

The financial statements of Valpak 1997 Limited (the "Company") for the year ended 31 December 2012 were authorised for issue by the Board of Directors and the balance sheet was signed on the board's behalf by Lisa Regan

The financial statements are prepared under the historical cost convention, except for Investments as noted below, and in accordance with UK Generally Accepted Accounting Practice

The Directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable judgements and estimates

The Group accounts consolidate the accounts of Valpak 1997 Limited and its subsidiary undertakings. No income and expenditure account is presented for Valpak 1997 Limited as permitted by Section 408 of the Companies Act 2006. The deficit for the period dealt with in the accounts of the Company was £1,750,000

b) Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives have been considered together with the financial position of the Company, its principal risks and uncertainties and available borrowing facilities

Following the disposal of its business interests to Valpak Limited and also following its wholly owned subsidiary ceasing to trade the Company has become a dormant Company

c) Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the income and expenditure account is taken into account in determining the profit or loss on sale or closure

d) Turnover

Turnover, which is stated net of value added tax, represents the amounts invoiced to members for material levies, operating recovery and membership fees along with services provided to members

e) Foreign currencies

The Company's financial statements are presented in Sterling, which is also the Company's functional currency

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the Income Statement

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

1. Summary of significant accounting policies (continued)

f) Taxation

Current income tax

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the Income Statement, except when it relates to items charged to equity or other comprehensive income, in which case the current tax is also dealt with in equity or other comprehensive income respectively.

Deferred tax

Deferred tax is accounted for on the basis of temporary differences arising from differences between the tax base and accounting base of assets and liabilities.

Deferred tax is recognised for all temporary differences, except to the extent where it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit. It is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income respectively.

g) Investments

The parent company's investments in subsidiary undertakings are accounted for on the equity basis, whereby such investments are stated at underlying net asset values. Any surplus or deficit is transferred to the revaluation reserve unless there is a deficit below the original cost, in which case it is recognised in the income and expenditure account for the year.

h) Tangible fixed assets

Tangible fixed assets are initially recovered at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Freehold buildings	50 years
Leasehold land and buildings	10 years
Plant and machinery	5 to 7 years
Fixtures and fittings	5 years
Office equipment	4 years
Computer equipment	3 years

i) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

- Raw materials and consumables - purchase cost on a first in, first out basis
- Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

1. Summary of significant accounting policies (continued)

j) Packaging Waste Recovery Notes (PRNs)

Prepaid PRNs are carried forward at the lower of cost and net realisable value

k) Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

l) Cash and cash equivalents

Cash in the balance sheet comprises cash in hand and current balances with banks and similar institutions. Short-term deposits have an original maturity of three months or less and are subject to insignificant risks of changes in value. For the purposes of the consolidated cash flow statement, cash is defined above and excludes short-term deposits.

m) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives.

The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the income and expenditure account over the periods of the leases and hire purchase contracts, and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the income and expenditure account on a straight line basis over the term of the lease.

n) Pensions

The Company provides a group personal pension scheme under which defined contributions are made to the administered funds. Contributions are charged in the Income Statement as they become payable in accordance with the rules of the scheme. Any contributions unpaid at the balance sheet date are included as an accrual as at that date. The Company has no further payment obligations once the contributions have been paid.

2. Turnover

Turnover, which is stated net of value added tax, represents the amounts invoiced to customers for the provision of compliance schemes for packaging waste, producer WEEE, batteries waste and environmental consulting. All business is from operations which have been discontinued following the sale of the trade and assets of the Company on 8 March 2013 (note 3).

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

3. Business combinations

On 8 March 2012, excepting its investment in SMART, the assets and liabilities of the Company, a private limited company with no share capital was transferred to Valpak Limited (formerly Valpak 2011 Limited), a private limited company with share capital under a Scheme of Reconstruction to implement a reconstruction under Part 26 of the Companies Act 2006

The values of the identifiable assets and liabilities of Valpak 1997 Limited and its subsidiaries as at the date of transfer were

	£000
Assets	
Tangible fixed assets	2,239
Cash and cash equivalents	9,010
Trade receivables	9,519
Inventories	940
Amounts owed by group companies	175
Prepayments and accrued income	2,344
Deferred tax	692
	24,919
Liabilities	
Obligations under finance lease and hire purchase contracts	(48)
Trade payables	(13,565)
Corporation tax	(941)
Other taxes and social security	(342)
Accruals and deferred income	(8,248)
	(23,144)
Total identifiable net assets	1,775
Cash consideration	-
Loss on disposal of business	1,775

4. Operating (deficit) / surplus

Operating (deficit) / surplus is stated after charging

	2012 £000	2011 £000
Audit of the financial statements	10	60
Other fees to auditors – taxation services	6	25
Other fees to auditors – other services	1	59
Depreciation of owned assets (note 10)	85	767
Depreciation of assets held under finance lease and hire purchase contracts	-	238
Other amounts written off fixed assets	-	1,134
Loss on disposal of fixed assets	-	6
Operating lease rentals – land and buildings	40	222
Operating lease rentals – plant and equipment	37	241
Fees to Environment Agencies	1,766	2,199

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

5. Staff costs

	2012	2011
	£000	£000
Wages and salaries, including bonus and termination payments	985	5,379
Social security costs	98	547
Pension costs	46	270
	1,129	6,196

Average number of employees, including Directors, during the period

	2012	2011
	Number	Number
Compliance	21	124
Support services	5	30
	26	154

The average number of employees up to 8 March 2012 was 156 after which became zero following the Scheme of Reconstruction (note 3)

6. Directors' remuneration

The remuneration of the Directors' for the year was as follows

	2012	2011
	£000	£000
Remuneration including performance related bonuses	325	885
Highest paid Director	169	299

The remuneration above are after the salary sacrifice by three Directors (2011 three) under Valpak's salary exchange scheme which resulted in pension contributions of £21,000 (2011 £132,000) during the period to 8 March 2012 This includes £8,000 (2011 £55,000) in respect of the highest paid Director

7 Interest payable and similar charges

	2012	2011
	£000	£000
Finance charges payable under finance leases and hire purchase contracts	-	2

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

8 Taxation

a) Tax on surplus on ordinary activities

	2012 £000	2011 £000
Tax charge for the year:		
UK corporation tax on surplus for the year	-	1,144
Adjustments in respect of previous periods	66	3
Current tax charge for the year (note 8b)	66	1,147
Deferred tax:		
Origination and reversal of temporary differences	-	(130)
Adjustment in respect of prior years	(9)	17
Tax on surplus on ordinary activities	57	1,034

b) Factors affecting the tax charge for the year

The tax assessed on the surplus on ordinary activities for the year is different from the standard rate of corporation tax in the UK. The differences are explained below

	2012 £000	2011 £000
Surplus on ordinary activities before tax	-	794
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2011: 26.5%)	-	210
Effect of:		
Expenses not deductible for tax purposes	-	751
Depreciation in excess of capital allowances	-	168
Other timing differences	-	15
Adjustments in respect of previous years	66	3
Current tax charge for the year (note 8a)	66	1,147

c) Change in Corporation Tax rate

It was announced in the March 2012 UK Budget Statement that the main corporation tax rate will be reduced from 26% to 24% from 1 April 2012. This change has been reflected in the current tax rate used of 24.5% for the year. A further rate change to 23% to be effective from 1 April 2013 was enacted on 17 July 2012. The Company has calculated deferred tax at 23%, the substantively enacted rate at the balance sheet date.

As well as a reduction from 23% to 21% from 1 April 2014 announced previously, as a result of the UK Budget announcement of 20 March 2013, a further reduction in the UK corporation tax rate from 21% to 20% effective from 1 April 2015 was announced. The full impact of future rate changes has yet to be ascertained but it is likely that the Company will have a lower UK effective tax rate on future taxable profits, subject to the receipt of group relief.

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

9 Intangible fixed assets

	£000
Cost	
At 1 January 2012	2,831
Disposals	(2,831)
At 31 December 2012	-
Amortisation	
At 1 January 2012	2,831
Disposals	(2,831)
At 31 December 2012	-
Net book value at 31 December 2012	-
Net book value at 1 January 2012	-

The goodwill related to the acquisition of Valpak Recycling (North West) Limited on 30 June 2006 and was amortised in full by 31 December 2010. The disposal relates to the transfer of subsidiaries to Valpak Limited (formerly Valpak 2011 Limited) following the Scheme of Reconstruction on 8 March 2012 (note 3)

10 Tangible fixed assets

Group	Freehold land & buildings £000	Leasehold land & buildings £000	Plant and machinery £000	Furniture and fittings £000	Computer and office equipment £000	Total £000
Cost						
At 1 January 2012	2,000	1,373	3,200	588	2,556	9,717
Additions	-	-	2	-	30	32
Disposals	(2,000)	(1,373)	(3,202)	(588)	(2,586)	(9,749)
At 31 December 2012	-	-	-	-	-	-
Depreciation						
At 1 January 2012	620	1,307	2,852	567	2,079	7,425
Charge for the year	7	-	22	3	53	85
Disposals	(627)	(1,307)	(2,874)	(570)	(2,132)	(7,510)
At 31 December 2012	-	-	-	-	-	-
Net book value						
At 31 December 2012	-	-	-	-	-	-
At 1 January 2012	1,380	66	348	21	477	2,292

Disposals with a net book value of £2,239,000 relate to the transfer of fixed assets to Valpak Limited (formerly Valpak 2011 Limited) following the Scheme of Reconstruction on 8 March 2012 (note 3)

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

10. Tangible fixed assets (continued)

Company	Freehold land & buildings £000	Plant and machinery £000	Furniture and fittings £000	Computer and office equipment £000	Total £000
Cost					
At 1 January 2012	2,000	172	571	2,357	5,100
Additions	-	2	-	30	32
Disposals	(2,000)	(174)	(571)	(2,387)	(5,132)
At 31 December 2012	-	-	-	-	-
Depreciation					
At 1 January 2012	620	137	551	1,880	3,188
Charge for the year	7	6	2	53	68
Disposals	(627)	(143)	(553)	(1,933)	(3,256)
At 31 December 2012	-	-	-	-	-
Net book value					
At 31 December 2012	-	-	-	-	-
At 1 January 2012	1,380	35	20	477	1,912

Disposals with a net book value of £1,876,000 relate to the transfer of fixed assets to Valpak Limited (formerly Valpak 2011 Limited) following the Scheme of Reconstruction on 8 March 2012 (note 3)

There are no leased assets or assets acquired under hire purchase contracts

11. Investments

	2012 £000	2011 £000
At 1 January	170	1,254
Dividends received	-	(1,254)
Revaluation	(82)	170
Disposals	(88)	-
At 31 December	-	170

The Company's investments in subsidiary companies were revalued to underlying net assets value as at 8 March 2012 resulting in a net decrease in the carrying value of investments of £82,000

As a result of the Scheme of Reconstruction (note 3) the carrying value of investments of £88,000 relating to the ownership of Valpak Recycling Limited, Valpak Recycling (North West) Limited, Valpak Retail WEEE Services Limited and SupraVal Limited (formerly Valpak Holdings Limited) was transferred to Valpak Limited (formerly Valpak 2011 Limited)

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

11. Investments (continued)

Details of the Company's principal subsidiaries which are all incorporated in England and Wales are set out below

	Principal activity	Share of voting rights
Sustainable Markets and Resources Trust	Consultancy services	100%

Sustainable Markets and Resources Trust is a company limited by guarantee

12. Stocks

	2012 £000	2011 £000
Group		
Raw materials and consumables	-	862
Finished goods	-	60
	-	922

	2012 £000	2011 £000
Company		
Raw materials and consumables	-	739
	-	739

13. Debtors' amounts falling due within one year

	2012 £000	2011 £000
Group		
Trade debtors	-	4,314
Other debtors	-	2
Prepayments and accrued income	-	958
Deferred tax (see note 14)	-	683
	-	5,957

	2012 £000	2011 £000
Company		
Trade debtors	-	3,157
Amounts owed by group undertakings	-	3,438
Other debtors	-	2
Prepayments and accrued income	-	556
Deferred tax (see note 14)	-	473
	-	7,626

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

14 Deferred tax asset

Group:

	2012	2011
	£000	£000
At 1 January	683	570
Origination and reversal of timing differences (note 8a)	-	130
Adjustment in respect of prior years (note 8a)	9	(17)
Disposal	(692)	-
At 31 December	-	683

The deferred tax consists of

	2012	2011
	£000	£000
Decelerated capital allowances	-	389
Other timing differences	-	294
Total deferred tax	-	683

Company:

	2012	2011
	£000	£000
At 1 January	473	468
Origination and reversal of timing differences (note 8a)	-	20
Adjustment in respect of prior years (note 8a)	-	(15)
Disposal	(473)	-
At 31 December	-	473

The deferred tax consists of

	2012	2011
	£000	£000
Decelerated capital allowances	-	179
Other timing differences	-	294
Total deferred tax	-	473

The disposal of £692,000 for the Group and £473,000 for the Company relates to the Scheme of Reconstruction (note 3)

For the Group and Company, there was no unprovided deferred tax at 31 December 2012 (2011 nil)

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

15. Creditors amounts falling due within one year

Group	2012 £000	2011 £000
Obligations under finance lease & hire purchase contracts (note 17)	-	52
Trade creditors	-	8,263
Corporation tax	-	700
Other taxes and social security	-	206
Other creditors and accruals	-	5,582
	-	14,803

Company	2012 £000	2011 £000
Trade creditors	-	6,787
Amounts owed to group undertakings	-	171
Corporation tax	-	782
Other taxes and social security	-	187
Other creditors and accruals	-	6,819
	-	14,746

16. Creditors' amounts falling due after one year

Group	2012 £000	2011 £000
Obligations under finance lease & hire purchase contracts (note 17)	-	4
	-	4

The Company had no creditors falling due after more than one year

17 Obligations under leases and hire purchase contracts

Amounts due under finance leases and hire purchase contracts

Group	2012 £000	2011 £000
Amounts payable		
Within one year	-	53
In two to five years	-	4
	-	57
Less finance charges allocated to future periods	-	1
	-	56

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Notes to the accounts

At 31 December 2012

17. Obligations under leases and hire purchase contracts (continued)

Annual commitments under non-cancellable operating leases are as follows

	Land and Buildings 2012 £000	Land and Buildings 2011 £000	Other 2012 £000	Other 2011 £000
Group				
Within 1 year	-	32	-	16
Within 2 to 5 years inclusive	-	190	-	239
	-	222	-	255

	Land and Buildings 2012 £000	Land and Buildings 2011 £000	Other 2012 £000	Other 2011 £000
Company				
Within 1 year	-	32	-	7
Within 2 to 5 years inclusive	-	-	-	158
	-	32	-	165

18. Capital

The Company is limited by guarantee. The obligation on a member to contribute to the assets of the Company in the event that the Company is wound up is limited to £4,018.

19. Reserves

	Income and expenditure account £000	Revaluation reserve £000	Total members' funds £000
Group			
At 1 January 2011	2,072	-	2,072
Retained deficit	(240)	-	(240)
At 31 December 2011	1,832	-	1,832
Retained deficit	(1,832)	-	(1,832)
At 31 December 2012	-	-	-

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

19. Reserves (continued)

Company	Income and expenditure account £000	Revaluation reserve £000	Total members' funds £000
At 1 January 2011	818	-	818
Retained surplus	844	-	844
Revaluation of investment in subsidiary undertakings	-	170	170
At 31 December 2011	1,662	170	1,832
Retained deficit	(1,662)	(88)	(1,750)
Revaluation of investment in subsidiary undertakings	-	(82)	(82)
At 31 December 2012	-	-	-

20. Notes to the statement of cash flows

Reconciliation of operating surplus to net cash inflow from operating activities

Group	2012 £000	2011 £000
Operating (deficit) / surplus	(8)	733
Depreciation and impairment of fixed assets	85	2,139
Loss on disposal of fixed assets	-	6
Decrease / (increase) in stocks	922	(163)
Less transfer of disposed assets to Valpak Limited	(940)	-
Decrease in debtors	5,274	4,001
Less transfer of disposed assets to Valpak Limited	(11,863)	-
Decrease in creditors	(14,051)	(5,418)
Less transfer of disposed assets to Valpak Limited	22,155	-
Net cash inflow from operating activities	1,574	1,298

Valpak 1997 Limited

Notes to the accounts

At 31 December 2012

20. Notes to the statement of cash flows (continued)

Analysis of net funds

	At 01/01/2012 £000	Cash flow £000	Non cash flow £000	At 31/12/2012 £000
Cash at bank and in hand	503	(503)	-	-
Short-term deposits	6,965	(6,965)	-	-
Cash	7,468	(7,468)	-	-
Finance leases	(56)	8	48	-
Net funds	7,412	(7,460)	48	-

Reconciliation of net cash flow to movement in net funds

	2012 £000	2011 £000
Decrease in cash at bank and in hand	(503)	(646)
Decrease in short term deposits	(6,965)	(35)
Net movement in cash funds at 31 December	(7,468)	(681)
Cash used to repay capital element of finance leases	8	77
Disposal of capital element of finance leases to Valpak Limited	48	-
Movement in net funds	(7,412)	(604)
Net funds at 1 January	7,412	8,016
Net funds at 31 December	-	7,412

21. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Prior to the Company selling its business and former subsidiaries transactions occurred between the group companies under the normal course of trading. All related balances were settled at the time of sale.

During the period the company made payments of £1,500 to Sancroft Limited, a company controlled by Lord Deben, for marketing briefing documents and other costs. With the exception of personnel compensation of the directors, which disclosure can be found within note 6 to the accounts, there were no other transactions between the Company and the directors as listed on page 1.