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SPM Plastics Limited

Report and Financial Statements

31 December 2012

Directors
Charles Andrew Brickman
Harold Faig

Secretaries
James Doerr
Robert Ospalik

Auditor
Baker Tilly UK Audit LLP
Hartwell House,
55 - 61 Victoria Street
Bristol BS1 6AD

Bankers
Bank of America
5 Canada Square
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Solicitors
Morgan Cole
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Cwm Cynon Industrial Estate
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Mountain Ash CF45 4ER

Registered No 03933216

Directors' report

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

Results

The profit for the year after taxation amounted to £1,368,000 (2011 – profit of £1 352 000)

Principal activity and review of the business

The principal activity of the company is the production of high precision moulded plastic The company manages its operations as a single business unit For this reason the company s directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development performance or position of the business

Events

On March 13, 2012, the company s previous parent United Plastics Group Inc entered into an Agreement and plan of merger with Medplast Inc After the acquisition was completed, United Plastics Group, Inc became a wholly owned subsidiary of the Medplast Inc The merger was completed on April 2, 2012

Future expectations and going concern

The company expects to continue its operations and expects to benefit from the expertise of Medplast Inc Management expects that Medplast, Inc will continue its financial support of SPM Plastics Limited to expand its footprint in the UK and European market

Principal risks and uncertainties

The business's major customers are split equally between the Electronic and Automotive sectors Despite selling on innovation and quality there is a constant risk that a competitor may quote for this business which could result in the loss or devaluation of a contract The company is taking strategic steps to introduce additional customers to minimise the exposure in each sector

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates The company maintains separate bank accounts which are denominated in British Pounds Euros and US Dollars, which provides a natural hedge against currency fluctuations

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables The company's credit risk is primarily attributable to its trade receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables An allowance for impairment is made where there is an identified loss event which based on previous experience, is evidence of a reduction in the recoverability of the cash flows The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance and ensuring a balance between CAPEX and long-term funds

Price risk

The company is exposed to commodity price risk as a result of its operations and this risk is managed where possible through the normal procurement and sales processes inherent in the company The directors continually monitor the appropriateness and effectiveness of these procedures on an ongoing basis The company has no exposure to equity securities price risk as it holds no listed or other equity investments

Directors' report (continued)

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk credit risk cash flow risk and liquidity risk The company does not use derivative financial instruments for speculative purposes

Directors

The directors who served the company during the year and until the date of this report were as follows

R Gold resigned 2 April 2012
T Nolan resigned 2 April 2012
Charles Andrew Brickman appointed 2 April 2012
Harold Faig appointed 2 April 2012

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact of the environment and designs and implements policies to reduce any damage that might be caused by the group s activities The company operates in accordance with the group policies of United Plastics Group, Inc which are described in their annual audited financial statements which does not form part of this report Initiatives have been designed to minimise the group's impact on the environment - these include the safe disposal of manufacturing waste, recycling and reducing energy consumption

Disclosure of information to the auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware that there is no relevant audit information of which the auditor is unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

Auditors

A resolution to terminate Ernst & Young LLP as auditor and appoint Baker Tilly was put to the members at the Annual General Meeting

On behalf of the Board

Harold Faig

Director
H Faig

[date] 26 November 2013

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
- 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 proper 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 auditor's report

to the members of SPM Plastics Limited

We have audited the financial statements of SPM Plastics Limited for the year ended 31 December 2012 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council s website at http //www frc org uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010) aspx

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 auditor's report

to the members of SPM Plastics 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

Baker Tilly UK Audit LLP

NIGEL HARDY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House 55 - 61 Victoria Street

Bristol BS1 6AD

13 December 2013

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Turnover	2	10,441	9 291
Cost of sales		(7,327)	(6,655)
Gross Profit		3 114	2 636
Distribution costs		(127)	(141)
Administrative expenses		(1,552)	(1,101)
Other operating income		26	51
Operating Profit	3	1 461	1,445
Other finance income	17	39	40
Interest payable and similar charges	6	(132)	(133)
Profit on ordinary activities before taxation		1,368	1,352
Tax	7	-	-
Profit for the financial year	16	1 368	1 352

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Profit for the financial year		1 368	1 352
Actuarial loss on pension scheme	17	(127)	(407)
Total recognised gains and losses relating to the year		1,241	945

Balance sheet

at 31 December 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Tangible assets	8	307	253
Current assets			
Stocks	9	885	966
Debtors	10	4,283	4,050
Cash at bank		563	161
		5,731	5,177
Creditors amounts falling due within one year	11	(3,432)	(4,089)
Net current assets		2 299	1 088
Total assets less current liabilities		2,606	1,341
Creditors amounts falling due after more than one year	12	(3,596)	(3,596)
Pension liability	17	(592)	(568)
Net liabilities		(1 582)	(2 823)
Capital and reserves			
Share capital	14	-	-
Profit and loss account	16	(1 582)	(2 823)
Shareholders' deficit	16	(1 582)	(2,823)

The financial statements on pages 7 to 9 were approved by the board of directors and authorised for issue on and are signed on their behalf by

Howell Faig

H Faig

Director

Date 26 November 2013

Notes to the financial statements

for the year ended 31 December 2012

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Going concern

The financial statements have been prepared in accordance with the going concern concept On the basis of their assessment of the company's financial position banking arrangements of the company and its ultimate parent Medplast, Inc, forecasts for the 2013 financial year and of the enquiries made of the directors of the company's parent Medplast, Inc the company s directors have a reasonable expectation that the company will be able to continue in operational existence for a period at least 12 months from the date of signing of these accounts In addition Medplast, Inc has committed to provide the financial support so as to allow the company to pay its debts as they fall due for a period of at least twelve months from the date of balance sheet approval Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance Revenue is measured at the fair value of the consideration received excluding discounts rebates VAT and other sales taxes or duty Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows

Leasehold buildings	–	over the period of the lease
Computer equipment	–	25%
Plant and machinery	–	8 5% to 40%

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Notes to the financial statements

for the year ended 31 December 2012

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value

Costs are those incurred in bringing each product to its present location and condition on the following basis

Raw materials	–	at purchase cost on a first-in first-out basis
Work in progress and finished goods	–	at cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

Research and development

All expenditure is charged to the profit and loss account in the year in which it is incurred

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 exceptions

- 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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated into Sterling at the rate of exchange ruling at the balance sheet date All exchange differences are dealt with in the profit and loss account

Leasing and hire purchase commitments

Assets held under finance leases which are leases where substantially all the risks and rewards of ownership of the asset 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 or the asset s useful lives The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet The interest element of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

The cost of operating leases are charged to the profit and loss account on a straight-line basis over the lease term

Notes to the financial statements

for the year ended 31 December 2012

1. Accounting policies (continued)

Pensions

The company operates both a defined benefit scheme and a defined contribution scheme

The company s current and past service cost for the defined benefit scheme is charged to operating profit Interest on the defined benefit scheme's obligations and the expected return on the scheme's assets are recognised in net finance costs Actuarial gains and losses are recognised directly in equity through the statement of total recognised gains and losses so that the company's balance sheet reflects the fair value of the scheme's surpluses or deficits as at the balance sheet date

In respect of the defined contribution scheme contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit and loss account over the expected useful lives of the relevant assets by equal annual instalments Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate

2. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2012	*2011*
	£000	*£000*
UK	3 111	2,648
Europe	7 328	6,634
Other	2	9
	10 441	9,291

Turnover represents the amounts invoiced to third parties stated net of value added tax

Notes to the financial statements

for the year ended 31 December 2012

3. Operating profit

This is stated after charging/ (crediting)

		2012	2011
		£000	£000
Auditors remuneration	– audit	21	21
	– non-audit services, tax review	9	9
Depreciation	– owned assets	45	108
	–finance leased assets	-	13
Operating lease rentals	– plant and machinery	-	-
	– land and buildings	150	236
	– other operating leases	50	32
Foreign exchange differences		3	(65)
Government grant released		(26)	(51)

4. Directors' remuneration

	2012	2011
	£000	£000
Remuneration	-	-

Directors salaries and other benefits are paid by the company's ultimate parent MedPlast, Inc A management charge of £180 000 in respect of management and administration costs has been made by MedPlast, Inc, the company's ultimate parent, which includes the directors remuneration, which cannot be determined separately

5. Staff costs

	2012	2011
	£000	£000
Wages and salaries	1,636	1,438
Social security costs	142	134
Other pension costs	102	63
	1 880	1 635

The average monthly number of employees including directors, during the year was 109, production & assembly 61, administration 23 and agency 25 (2011 – 101)

6. Interest payable and similar charges

	2012	2011
	£000	£000
Group interest payable	132	132
Finance lease interest	-	1
	132	133

Notes to the financial statements

for the year ended 31 December 2012

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012	*2011*
	£000	*£000*
Current tax		
UK corporation tax on the profit for the year	–	–
Under/(over) provision in prior years	–	–
Total current tax (note 7(b))	–	–
Deferred tax		
Total deferred tax	–	–
Tax on Profit on ordinary activities	–	–

(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 26 5% (2011 – 28 %) The differences are explained below

	2012	*2011*
	£000	*£000*
Profit on ordinary activities before tax	1 368	1 352
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24 5% (2011 – 26 5%)	335	358
Effects of		
Fixed asset differences	2	28
Expenses not deductible for tax purposes	1	1
Income not deductible for tax purposes	(6)	
Amounts (charged) credited to STRGL	(31)	–
Group relief	(1)	(5)
Depreciation in excess of capital allowances	(16)	–
Other timing differences	(246)	(31)
DB scheme timing differences	6	–
Utilisation of tax losses and other deductions	(44)	–
Provision	–	–
Tax losses carried forward	–	(332)
Current tax for the year (note 7(a))	–	–

Notes to the financial statements

for the year ended 31 December 2012

Tax (continued)

(c) Factors that may affect future tax charges

As at 31 December 2012, there were unrecognised deferred tax assets totalling £161 903 (2011 – £636,000) made up as follows

	2012 £000	2011 £000
Fixed asset timing differences	(90)	(114)
Short term timing differences	(72)	(335)
Losses and other timing differences		(45)
Losses carried forward		(142)
Net deferred tax asset	(162)	(636)

The directors do not consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted and these have not, therefore, been recognised in the statutory financial statements for 2012 or 2011

(d) Developments after the balance sheet date affecting future tax charges

Announcements were made during and after the year end by the Chancellor of the Exchequer of proposed changes to corporation tax rates that will have an effect on future tax charges of the company The change in the corporation tax rate from 28% to 27% was substantively enacted in July 2011 whereas further reductions to 26% from 1 April 2012 and 1% thereafter to 23% to 1 April 2014 were not substantively enacted at the balance sheet date The company has quantified the impact of the change from 28% to 27% as enacted prior to 31 December 2011 The impact of the reduction from 27% to 23% on the deferred asset is that the asset would be decreased by £140 000

8 Tangible fixed assets

	Long leasehold *£000*	*Plant and machinery* *£000*	*Computer equipment* *£000*	*Total* *£000*
Cost				
At 1 January 2012	762	3,461	189	4 412
Additions	–	125	–	125
Disposals	–	(29)	–	(29)
At 31 December 2012	762	3 557	189	4,508
Depreciation				
At 1 January 2012	762	3,208	189	4 159
Charge for the year	–	71	–	71
Eliminated on disposal	–	(29)	–	(29)
At 31 December 2012	762	3 250	189	4,201
Net book value				
At 31 December 2012	–	307	–	307
At 31 December 2011	–	253	–	253

Notes to the financial statements

for the year ended 31 December 2012

£125 000 of assets under construction and not depreciated is included in Additions

8. Tangible fixed assets (continued)

In accordance with FRS11 Impairment of Fixed Assets and Goodwill the carrying values of fixed assets at 31 December 2012 have been compared to their recoverable amounts, represented by the higher of their net realisable value and their value in use to the group

The value in use has been derived from cash flow projections over a period of 10 years on the basis of a steady growth rate

Included in the amounts for plant and machinery above are the following amounts relating to leased assets and assets acquired under hire purchase contracts

	£000
Cost	
At 1 January 2012 and 31 December 2012	197
Depreciation	
At 1 January 2012	(75)
Depreciation provided during the year	(20)
At 31 December 2012	(95)
Net book value	
At 31 December 2012	102
At 31 December 2011	122

9. Stocks

	2012 *£000*	*2011* *£000*
Raw materials	461	391
Work in progress	33	28
Finished goods	391	547
	885	966

10. Debtors

	2012 *£000*	*2011* *£000*
Trade debtors	1,198	1,284
Amounts owed by group undertakings	2,895	2,613
Prepayments and accrued income	189	153
	4 283	4 050

Notes to the financial statements

for the year ended 31 December 2012

11. Creditors: amounts falling due within one year

	2012	2011
	£000	£000
Trade creditors	599	452
Amounts owed to group undertakings	2 732	3,261
Social security and other taxes	78	74
Other creditors	23	276
Obligations under finance lease and hire purchase contracts (note 13)	–	–
Accruals and deferred income	–	26
	3,432	4,089

12. Creditors: amounts falling due after more than one year

	2012	2011
	£000	£000
Amounts owed to group undertakings	3 596	3,596
Obligations under finance lease and hire purchase contracts (note 13)	–	–
	3 596	3,596

The amount owed to group undertakings represents a promissory note payable on demand with no fixed repayment date Interest on the promissory note is payable at a rate equal to six month LIBOR reset half yearly plus 2 52% margin

13. Operating leases

At 31 December the company was committed to making the following payments during the next year in respect of operating leases

		2012		2011
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£000	*£000*	*£000*	*£000*
Leases which expire				
Within 1 year	–	17	236	3
Within 2 to 5 years	–	10	–	47
Over 5 years	150			
	150	27	236	50

14 Issued share capital

		2012		2011
Allotted, called up and fully paid	*No*	*£000*	*No*	*£000*
Ordinary shares of £1 each	1	–	1	–

Notes to the financial statements

for the year ended 31 December 2012

15 Movements on reserves

	Profit and loss account £000
At 1 January 2012	(2,823)
Profit for the year	1,368
Actuarial loss on pension scheme	(127)
At 31 December 2012	(1,582)
Profit and loss account excluding pension liability	(990)
Pension liability	(592)
At 31 December 2012	(1 582)

16. Reconciliation of shareholder's deficit

	2012 £000	*2011 £000*
Profit for the financial year	1,368	1,352
Actuarial loss on pension scheme	(127)	(407)
Net gain to shareholder s deficit	931	945
Opening shareholder's deficit	(2 823)	(3,768)
Closing shareholder s deficit	(1 582)	(2,823)

17. Pensions

The group operates a funded pension scheme in the UK (the SPM Plastics Pension Scheme) providing benefits in both a Final Salary Section and a Money Purchase section The Money Purchase section was wound up in November 2012 and individual member assets transferred to a Stakeholder (private defined contribution) scheme The company makes a contribution by employee to the stakeholder scheme The assets of the SPM Plastics Pension Scheme are held separately to those of the company in an independent, trustee-administered fund

Money purchase section

At 31 December 2012 the market value of assets was £nil (2011 – £nil) as it had been wound up The assets were transferred to the Stakeholder (private defined contribution) scheme

The provision for pension costs at the end of the year was £9,116 (2011 – £5,129)

17. Pensions (continued)

Final salary section

Company contributions of £67,494 (2011 – £30 000) were paid during the year The company expects to make contributions of £80,000 for the year ending 31 December 2012

The final salary pension scheme is closed for future accruals The valuation used for the final salary section disclosure has been based on the most recent actuarial valuation at 31 March 2012

The pension scheme assets are stated at their market values at 31 December 2012 31 December 2011 and 31 December 2009, and the main assumptions used by the actuary were

	2012 %	*2011 %*	*2010 %*

Notes to the financial statements

for the year ended 31 December 2012

Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment - post April 1998	2 90	3 10	3 40
Discount rate for scheme liabilities	4 60	4 90	5 50
Inflation assumption	3 10	3 20	3 50
Long term rate of return on Investments			
Equities	7 75	7 75	7 75
Overseas equities	7 75	7 75	7 75
Other assets	7 75	7 75	7 75

The assets in the scheme and the deficit in the scheme were

	Value at 31 Dec 2012 £000	*Value at 31 Dec 2011 £000*	*Value at 31 Dec 2010 £000*	*Value at 31 Dec 2009 £000*	*Value at 31 Dec 2008 £000*
Equities	2 608	2,267	2 337	2,040	1 624
Overseas equities	–	–	–	–	-
Other assets	3	2	-	12	35
Total market value of assets	2,611	2,269	2 337	2,052	1 659
Present value of scheme liabilities	(3,203)	(2 837)	(2 568)	(2 422)	(1 797)
Deficit in scheme	(592)	(568)	(231)	(370)	(138)
Related deferred tax asset	–	–	–	–	–
Net pension liability	(592)	(568)	(231)	(370)	(138)

17. Pensions (continued)

Analysis of the amount credited to other finance income

	2012 £000	*2011 £000*
Expected return on pension scheme assets	178	180
Interest on pension scheme liabilities	(139)	(140)
Net return	39	40

Notes to the financial statements

for the year ended 31 December 2012

Analysis of the amount recognised in the statement of total recognised gains and losses (STRGL)

	2012 £000	2011 £000
Actual return less expected return on pension scheme assets	113	(274)
Experience gains and losses arising on the scheme liabilities	(66)	(43)
Changes in assumptions underlying the present value of the scheme liabilities	(174)	(90)
Actuarial loss recognised in the STRGL	(127)	(407)

Reconciliation of the present value of the defined benefit obligations

	2012 £000	2011 £000
Present value of defined benefit obligations at start of year	(2 837)	(2,568)
Interest costs	(139)	(140)
Actuarial loss on scheme liabilities	(240)	(184)
Benefits paid	13	55
Present value of defined benefit obligations at end of year	(3,203)	(2,837)

Reconciliation of fair value of scheme assets

	2012 £000	2011 £000
Fair value of scheme assets at start of year	2,269	2,337
Expected return on scheme assets	178	180
Actuarial gain/(loss) on scheme assets	113	(223)
Contributions by members	64	30
Benefits paid	(13)	(55)
Fair value of scheme assets at end of year	2,611	2,269

Pensions (continued)

Movement in deficit during the year

	2012 £000	2011 £000
Deficit in scheme at start of year	(568)	(231)
Contributions	64	30
Other finance income	39	40
Actuarial loss	(127)	(407)
Deficit in scheme at end of year	(592)	(568)

History of experience gains and losses

2012	2011	2010	2009	2008

Notes to the financial statements

for the year ended 31 December 2012

	£000	*£000*	*£000*	*£000*	*£000*
Difference between expected and actual return on scheme assets					
Amount (£000)	113	(223)	137	271	(677)
Percentage of scheme assets (%)	4 3%	(9 8)%	5 9%	13 2%	(40 8)%
Experience gains and losses on scheme liabilities					
Amount (£000)	(66)	(94)	(19)	89	(52)
Percentage of the present value of the scheme liabilities (%)	(2 1)%	(3 3)%	(0 7)%	3 7%	(2 9)%
Total actuarial gain or loss					
Amount (£000)	(127)	(407)	81	(282)	(185)
Percentage of the present value of the scheme liabilities (%)	(4 0)%	(14 3%)	3 0%	(11 6)%	(10 3)%

18. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 8 and has not disclosed transactions with its parent company or fellow subsidiaries that are wholly owned within its group

19. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is SPM Holdings Limited registered in England and Wales

The parent of the smallest group of which the company is a member and which has included the company in its financial statements, is SPM Plastics UK Limited The company's ultimate parent and controlling undertaking at 31 December 2012 is MedPlast Inc, a company incorporated in the United States of America