

SPM Plastics Limited

Report and Financial Statements

31 December 2013

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COMPANIES HOUSE

SPM Plastics Limited

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
London E14 5AQ

Solicitors

Morgan Cole
Llys Tawe
Kings Road
Swansea SA1 8PG

Registered Office

Cwm Cynon Industrial Estate
North Plateau
Mountain Ash CF45 4ER

Registered No. 03933216

The directors present a Strategic Report, a Directors' Report, and financial statements for the year ended 31 December 2013.

STRATEGIC REPORT

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.

Principal risks and uncertainties and matters of strategic importance

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 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.

Analysis using other KPIs including information relating to employee and environmental matters

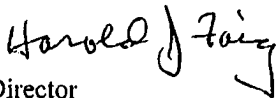
Employees

The average monthly number of employees, including directors, during the year was 109, production & assembly 65, administration 27 and agency 17 (2012 – 109).

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company'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.

On behalf of the Board



Director
H Faig

26 September 2014

DIRECTORS' REPORT

Results

The profit for the year after taxation amounted to £1,019,000 (2012 – profit of £1,368,000).

No dividend is expected to be paid for the year.

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. See Note 1 on page 11 for further details.

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.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

SPM Plastics Limited

Directors

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

Charles Andrew Brickman
Harold Faig

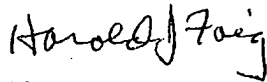
Disclosure of information to the auditors

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.

Auditor

A resolution to reappoint Baker Tilly UK Audit LLP was put to the members at the Annual General Meeting.

On behalf of the Board



Director
H Faig

26 September 2014

Independent auditor's report

to the members of SPM Plastics Limited

We have audited the financial statements, on pages 8 to 22, of SPM Plastics Limited for the year ended 31 December 2013. 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 3, 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/auditscopeukprivate>

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.

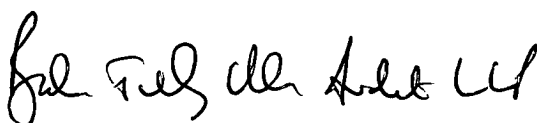
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



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

30 September 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Turnover	2	9,942	10,441
Cost of sales		<u>(7,171)</u>	<u>(7,327)</u>
Gross Profit		2,771	3,114
Distribution costs		(90)	(127)
Administrative expenses		(1,356)	(1,552)
Other operating income		-	26
Operating Profit	3	1,325	1,461
Other finance income	17	57	39
Interest payable and similar charges	6	<u>(112)</u>	<u>(132)</u>
Profit on ordinary activities before taxation		1,270	1,368
Tax	7	(251)	-
Profit for the financial year	16	<u>1,019</u>	<u>1,368</u>

All amounts relate to continuing activities.

The notes on pages 11 to 22 form part of these financial statements.

Statement of total recognised gains and losses**for the year ended 31 December 2013**

	<i>Notes</i>	<i>2013</i> <i>£000</i>	<i>2012</i> <i>£000</i>
<i>Profit for the financial year</i>		1,019	1,368
Actuarial gain/(loss) on pension scheme	17	105	(127)
<i>Total recognised gains and losses relating to the year</i>		<u>1,124</u>	<u>1,241</u>

The notes on pages 11 to 22 form part of these financial statements.

Balance sheet

at 31 December 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	8	252	307
Current assets			
Stocks	9	774	885
Debtors	10	3,956	4,283
Cash at bank		898	563
		5,628	5,731
Creditors: amounts falling due within one year	11	(2,392)	(3,432)
Net current assets		3,236	2,299
Total assets less current liabilities		3,488	2,606
Creditors: amounts falling due after more than one year	12	(3,596)	(3,596)
Pension liability	17	(350)	(592)
Net liabilities		(458)	(1,582)
Capital and reserves			
Share capital	14	-	-
Profit and loss account	16	(458)	(1,582)
Shareholders' Deficit	16	(458)	(1,582)

The financial statements on pages 8 to 22 were approved by the board of directors and authorised for issue on _____ and are signed on their behalf by:



H. Faig

Director

Date 26 September 2014

Notes to the financial statements

for the year ended 31 December 2013

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 2014 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 2013

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

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 2013

1. Accounting policies (continued)

Pensions

The company operates both a defined benefit scheme and pays contributions to a stakeholder 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 stakeholder scheme, contributions are charged in the profit and loss account as they become payable.

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:

	2013 £000	2012 £000
UK	3,750	3,111
Europe	5,983	7,328
Other	209	2
	<u>9,942</u>	<u>10,441</u>

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 2013

3. Operating profit

This is stated after charging/ (crediting)

	2013 £000	2012 £000
Auditors' remuneration – audit	29	21
– non-audit services, tax review	17	9
Depreciation – owned assets	55	45
Operating lease rentals – land and buildings	150	150
– other operating leases	43	50
Foreign exchange differences	(78)	3
Government grant released	-	(26)

SPM Plastics Ltd also paid the audit fees of its parent SPM Plastics UK Ltd, which totalled £10,000 (2012: £9,000).

4. Directors' remuneration

	2013 £000	2012 £000
Remuneration	-	-

Directors' salaries and other benefits are paid by the company's ultimate parent, MedPlast, Inc. A management charge of £210,000 in respect of management and administration costs has been made by MedPlast, Inc, the company's parent, which includes the directors' remuneration, which cannot be determined separately.

5. Staff costs

	2013 £000	2012 £000
Wages and salaries	1,749	1,636
Social security costs	179	142
Other pension costs	79	102
	<u>2,007</u>	<u>1,880</u>

The average monthly number of employees, including directors, during the year was 109, production & assembly 65, administration 27 and agency 17 (2012 – 109).

6. Interest payable and similar charges

	2013 £000	2012 £000
Group interest payable	112	132
	<u>112</u>	<u>132</u>

Notes to the financial statements

for the year ended 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:		
UK corporation tax on the profit for the year	251	–
Total current tax (note 7(b))	<u>251</u>	<u>–</u>
Deferred tax:		
Total deferred tax	–	–
Tax on Profit on ordinary activities	<u>251</u>	<u>–</u>

(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 – 26.5 %). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	<u>1,269</u>	<u>1,368</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 – 24%)	295	335
Effects of:		
Fixed asset differences	1	2
Expenses not deductible for tax purposes	4	1
Income not deductible for tax purposes	–	(6)
Adjustments to brought forward values	(1)	–
Amounts credited/(charged) to STRGL	24	(31)
Group relief	–	(1)
Capital allowances in excess of depreciation	(16)	(16)
Other timing differences	–	(246)
Pension scheme timing differences	(56)	6
Utilisation of tax losses and other deductions	–	(44)
Current tax for the year (note 7(a))	<u>251</u>	<u>–</u>

Notes to the financial statements

for the year ended 31 December 2013

Tax (continued)

(c) Factors that may affect future tax charges

As at 31 December 2013, there were unrecognised deferred tax assets totalling £197,334 (2012 – £25,743) made up as follows:

	2013 £000	2012 £000
Fixed asset timing differences	(64)	(90)
Short term timing differences	(63)	(72)
Defined benefit pension scheme provisions	(70)	136
Net deferred tax asset	<u>(197)</u>	<u>(26)</u>

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 2013 or 2012.

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

During the year, the UK main corporation tax rate was 23%, which was substantively enacted on 3 July 2012, effective from 1 April 2013.

Further reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes, which were enacted in the Finance Bill 2013 on 2 July, propose to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. As such, in accordance with UK GAAP, the rate of 20% is used for the calculation of the deferred tax provision at 31 December 2013 (2012: 23%).

8. Tangible fixed assets

	Long leasehold £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost:				
At 1 January 2013	762	3,557	189	4,508
Additions	–	–	–	–
At 31 December 2013	<u>762</u>	<u>3,557</u>	<u>189</u>	<u>4,508</u>
Depreciation:				
At 1 January 2013	762	3,250	189	4,201
Charge for the year	–	55	–	55
At 31 December 2013	<u>762</u>	<u>3,305</u>	<u>189</u>	<u>4,256</u>
Net book value:				
At 31 December 2013	<u>–</u>	<u>252</u>	<u>–</u>	<u>252</u>
At 31 December 2012	<u>–</u>	<u>307</u>	<u>–</u>	<u>307</u>

Notes to the financial statements

for the year ended 31 December 2013

8. Tangible fixed assets (continued)

In accordance with FRS11 'Impairment of Fixed Assets and Goodwill', the carrying values of fixed assets at 31 December 2013 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 2013 and 31 December 2013	<u>197</u>
Depreciation	
At 1 January 2013	(95)
Depreciation provided during the year	<u>(20)</u>
At 31 December 2013	<u>(115)</u>
Net book value	
At 31 December 2013	<u>82</u>
At 31 December 2012	<u>102</u>

9. Stocks

	2013 £000	2012 £000
Raw materials	379	461
Work in progress	58	33
Finished goods	<u>337</u>	<u>391</u>
	<u>774</u>	<u>885</u>

10. Debtors

	2013 £000	2012 £000
Trade debtors	752	1,198
Amounts owed by group undertakings	3,076	2,895
Prepayments and accrued income	<u>128</u>	<u>189</u>
	<u>3,956</u>	<u>4,283</u>

Notes to the financial statements

for the year ended 31 December 2013

11. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	434	599
Amounts owed to group undertakings	1,586	2,732
Social security and other taxes	121	78
Corporation tax	251	-
Other creditors	-	23
	<u>2,392</u>	<u>3,432</u>

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

	2013 £000	2012 £000
Amounts owed to group undertakings	3,596	3,596
	<u>3,596</u>	<u>3,596</u>

The amount owed to group undertakings represents a promissory note 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:

	2013		2012	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Leases which expire:				
Within 1 year	-	18	-	17
Within 2 to 5 years	-	22	-	10
Over 5 years	150	-	150	-
	<u>150</u>	<u>40</u>	<u>150</u>	<u>27</u>

14. Issued share capital

	2013		2012	
	No.	£000	No.	£000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1	<u>-</u>	1	<u>-</u>

Notes to the financial statements

for the year ended 31 December 2013

15. Movements on reserves

	<i>Profit and loss account £000</i>
At 1 January 2013	(1,582)
Profit for the year	1,019
Actuarial gain on pension scheme	105
At 31 December 2013	<u>(458)</u>
Profit and loss account excluding pension liability	(108)
Pension liability	(350)
At 31 December 2013	<u>(458)</u>

16. Reconciliation of shareholder's deficit

	<i>2013 £000</i>	<i>2012 £000</i>
Profit for the financial year	1,019	1,368
Actuarial gain / (loss) on pension scheme	105	(127)
Net gain to shareholder's deficit	1,124	1,241
Opening shareholder's deficit	(1,582)	(2,823)
Closing shareholder's deficit	<u>(458)</u>	<u>(1,582)</u>

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 2011 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 2013 the market value of assets was £nil (2012 – £nil) as it had been wound up. The assets were transferred to the Stakeholder (private defined contribution) scheme.

The provision for pension costs payable to the stakeholder scheme at the end of the year was £9,489 (2012 – £9,116), which is included within social security and other taxes.

Final salary section

Company contributions of £80,000 (2012 – £67,494) were paid during the year. The company expects to make contributions of £80,000 for the year ending 31 December 2014.

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 full actuarial valuation at 31 March 2011, updated to 31 December 2013.

Notes to the financial statements

for the year ended 31 December 2013

17. Pensions (continued)

The pension scheme assets are stated at their market values at 31 December 2013, 31 December 2012 and 31 December 2011, and the main assumptions used by the actuary were:

	2013	2012	2011
	%	%	%
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment - post April 1998	3.30	2.90	3.10
Discount rate for scheme liabilities	4.50	4.60	4.90
Inflation assumption	3.40	3.10	3.20
Long term rate of return on Investments:			
Equities	7.50	7.75	7.75
Overseas equities	7.50	7.75	7.75
Other assets	7.50	7.75	7.75

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

	Value at 31 Dec 2013	Value at 31 Dec 2012	Value at 31 Dec 2011	Value at 31 Dec 2010	Value at 31 Dec 2009
	£000	£000	£000	£000	£000
Equities	3,208	2,608	2,267	2,337	2,040
Other assets	-	3	2	-	12
Total market value of assets	3,208	2,611	2,269	2,337	2,052
Present value of scheme liabilities	(3,558)	(3,203)	(2,837)	(2,568)	(2,422)
Deficit in scheme	(350)	(592)	(568)	(231)	(370)
Related deferred tax asset	-	-	-	-	-
Net pension liability	(350)	(592)	(568)	(231)	(370)

Notes to the financial statements

for the year ended 31 December 2013

17. Pensions (continued)

Analysis of the amount credited to other finance income

	2013	2012
	£000	£000
Expected return on pension scheme assets	203	178
Interest on pension scheme liabilities	(146)	(139)
Net return	<u>57</u>	<u>39</u>

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

	2013	2012
	£000	£000
Actual return less expected return on pension scheme assets	369	113
Experience gains and losses arising on the scheme liabilities	16	(66)
Changes in assumptions underlying the present value of the scheme liabilities	(280)	(174)
Actuarial gain / (loss) recognised in the STRGL	<u>105</u>	<u>(127)</u>

Reconciliation of the present value of the defined benefit obligations

	2013	2012
	£000	£000
Present value of defined benefit obligations at start of year	(3,203)	(2,837)
Interest costs	(146)	(139)
Actuarial loss on scheme liabilities	(264)	(240)
Benefits paid	55	13
Present value of defined benefit obligations at end of year	<u>(3,558)</u>	<u>(3,203)</u>

Reconciliation of fair value of scheme assets

	2013	2012
	£000	£000
Fair value of scheme assets at start of year	2,611	2,269
Expected return on scheme assets	203	178
Actuarial gain on scheme assets	369	113
Contributions by company	80	64
Benefits paid	(55)	(13)
Fair value of scheme assets at end of year	<u>3,208</u>	<u>2,611</u>

Notes to the financial statements

for the year ended 31 December 2013

17. Pensions (continued)

Movement in deficit during the year

	2013	2012
	£000	£000
Deficit in scheme at start of year	(592)	(568)
Contributions	80	64
Other finance income	57	39
Actuarial gain / (loss)	105	(127)
Deficit in scheme at end of year	<u>(350)</u>	<u>(592)</u>

History of experience gains and losses

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
Difference between expected and actual return on scheme assets:					
Amount (£000)	369	113	(223)	137	271
Percentage of scheme assets (%)	11.5%	4.3%	(9.8)%	5.9%	13.2%
Experience gains and losses on scheme liabilities:					
Amount (£000)	16	(66)	(94)	(19)	89
Percentage of the present value of the scheme liabilities (%)	0.4%	(2.1)%	(3.3)%	(0.7)%	3.7%
Total actuarial gain or loss:					
Amount (£000)	105	(127)	(407)	81	(282)
Percentage of the present value of the scheme liabilities (%)	3.0%	(4.0)%	(14.3)%	3.0%	(11.6)%

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 2013 is MedPlast Holdings Inc., a company incorporated in the United States of America.