

Company number: 02398420

CROWN SPECIALITY PACKAGING UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013



CROWN SPECIALITY PACKAGING UK LIMITED

Strategic report for the year ended 31 December 2013

The directors present their annual report on the affairs of the company for the year ended 31 December 2013.

Principal activities

The principal activity of the company is the manufacture and sale of tinplate based promotional packaging, mainly on behalf of Crown Packaging Europe GmbH.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to be:

- The global economic environment with its impact on consumer purchasing power and product demand;
- The consolidation of the market for tinplated steel which can have a significant impact on the price of the company's principal raw material;
- The consolidation of the consumer products market, reducing the number of potential customers;
- The resultant increasing comparative strength of these customers in relation to the suppliers in the market, and the trend towards alternative packaging products and materials.

Review of the business and future developments

The results of the company show an operating profit of £1,120,000 (2012: profit of £3,004,000) and sales of £55,929,000 (2012: £64,029,000) for the year.

2013 saw the completion of the relocation of the Aintree factory to a more compact facility, enabling reduction of the cost base and improved efficiencies due to modernisation of key equipment. New product line capacity, using seated end technology, was installed in Mansfield increasing the range of products on offer.

Key Performance Indicators ("KPI's")

The company and wider group is managed on a divisional basis with performance monitored using a number of "World Class Performance" indicators, based around the efficiency of the production cycle. With the contract manufacturing agreement well established the focus has now moved to utilisation of labour and overhead costs control. With the exception of the one-off expected costs in Aintree for the relocation 2013 has seen year-on-year reduction in key overhead costs. Manufacturing KPI's have suffered due to the relocation and expected ramp up on new product lines with the development expected to reap the rewards in 2014.

Financial Risk Management

Under the new contract manufacturing agreement, the company has reduced its exposure to price and credit risk as these risks are now borne by the Principal, Crown Packaging Europe GmbH. The company is part of a larger US owned group, the Crown Holdings, Inc. Group, and the risk management programme seeking to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and related financial costs, is maintained at Group level.

Liquidity and cash flow risk

The company's liquidity is managed centrally within the Group. The Group maintains a mixture of long-term and short-term financing arrangements that are designed to ensure the Group and company have sufficient funds available for operations.

Details of the company's cash flow forecasts are supplied to Group Treasury to assist with the Group's cash management position and to minimise the risk of uncertain future funding requirements. The company's finance department implements the Group's policies and guidelines as set out in the Group's Financial Accounting Policies manual.

Credit risk

Under the limited risk contract manufacturing arrangement, the company's principal customer is now Crown Packaging Europe GmbH and credit risk exposure to the company has been significantly reduced as a result.

CROWN SPECIALITY PACKAGING UK LIMITED

Strategic report for the year ended 31 December 2013 (continued)

Exchange rate risk

The company seeks to limit any risk from fluctuating exchange rates on sales and purchases in non-local currency by taking out forward contracts where appropriate, in line with the Group's Financial Accounting Policies manual.

Interest rate risk

The company is exposed to interest rate risk, and the management of this exposure is borne by the Group's European Treasury department on behalf of the company and the rest of the Crown Group.

On behalf of the Board



P W Browett
Director

CROWN SPECIALITY PACKAGING UK LIMITED

Directors' report for the year ended 31 December 2013

The directors present their report together with the financial statements and the independent auditors report for the year ending 31 December 2013

Results and dividends

The profit for the financial year was £808,000 (2012: £2,203,000) which has been transferred to reserves. The directors do not recommend the payment of a dividend (2012: £nil).

Directors

The directors who held office throughout the year and up to the date of signing the financial statements, unless otherwise stated, are as follows:

P W Browett
J Clinton
D Harrison
P Lockley
J A Parker

Employment policies

It is the company's policy to provide employment terms, which are motivational and equitable, in accordance with national legislation and local market conditions. Training and development opportunities are provided as a function of the needs of the company and of the individuals concerned, with a view to improving every individual's, and thereby the company's, performance.

It is also the company's policy to keep employees aware of the financial and economic factors that may affect the business environment in which the company operates and how these factors may affect the performance of the company.

Throughout the year, the drive for improved quality in all functions has served as an important focus for improved communication with employees. The company's continued commitment to world-class performance in all locations has been the basis for involving employees and enlisting their commitment through training and joint problem solving in a team working environment. It is the company's policy to keep employees fully informed on matters which affect them, through direct communications and established collective procedures for information and consultation.

The company promotes its Health and Safety policy with high profile initiatives and has throughout the year continued vigorously to apply increasing standards of machine and employee safety and has continued to invest heavily in training programs specifically related to this matter.

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, on a non-discriminatory basis and offers appropriate training and career development for disabled staff. The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. If members of staff become disabled the group continues employment wherever possible and arranges retraining.

Research and development

The directors consider that research and development play a vital role in the company's success. Research and development activities include innovation of new products, and development of materials, technology and engineering processes. The research and technology royalty costs are now borne by Crown Packaging Europe GmbH following the change over of the limited risk contract manufacturer concept in 2011.

Branches outside the UK

The company has no branches located outside of the UK.

CROWN SPECIALITY PACKAGING UK LIMITED

Directors' report for the year ended 31 December 2013 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 judgements and accounting 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

So far as they are aware, each of the directors at the date of this report confirm that there is no relevant audit information of which the company's auditors are unaware, and that the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



P W Browett
Director

CROWN SPECIALITY PACKAGING UK LIMITED

Independent auditors' report to the members of Crown Speciality Packaging UK Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Crown Speciality Packaging UK Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

CROWN SPECIALITY PACKAGING UK LIMITED

Independent auditors' report to the members of Crown Speciality Packaging UK Limited

Directors' remuneration

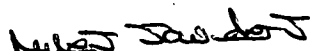
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

17 June 2014

CROWN SPECIALITY PACKAGING UK LIMITED

Profit and loss account for the year ended 31 December 2013

	<i>Note</i>	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
<i>Turnover</i>	2	55,929	64,029
Operating costs		(54,809)	(61,025)
<i>Operating profit</i>	3	1,120	3,004
Other finance expense	18	(8)	(20)
<i>Profit on ordinary activities before taxation</i>		1,112	2,984
Tax on profit on ordinary activities	4	(304)	(781)
<i>Profit for the financial year</i>	14	808	2,203

The results for the years shown above are derived entirely from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalent.

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

	<i>Note</i>	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Profit for the financial year		808	2,203
Actuarial gain on medical plan	18	14	13
Movement on deferred tax relating to medical plan	18	(3)	(3)
<i>Total recognised gains for the financial year</i>		819	2,213

CROWN SPECIALITY PACKAGING UK LIMITED

Balance sheet as at 31 December 2013

	<i>Note</i>	31 December 2013 £'000	31 December 2012 £'000
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Fixed assets

Tangible assets	6	14,102	9,679
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Current assets

Stock	7	3,738	2,986
Debtors (amounts falling due within one year)	8	12,382	17,414
Debtors (amounts falling due after one year)	9	110	-
Cash at bank and in hand		-	1
		16,230	20,401

Creditors – amounts falling due within one year	10	(10,108)	(10,182)
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Net current assets		6,122	10,219
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Total assets less current liabilities		20,224	19,898
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Creditors – amounts falling due after more than one year	11	(1,168)	(1,234)
Provisions for liabilities	12	-	(70)

Net assets excluding post-retirement medical benefit plan liability		19,056	18,594
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Post-retirement medical benefit plan liability	18	-	(375)
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Net assets including post-retirement medical benefit plan liability		19,056	18,219
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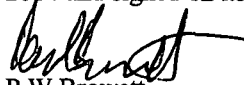
Capital and reserves

Called-up share capital	13	48,720	48,720
Profit and loss account deficit	14	(29,664)	(30,501)

Equity shareholders' funds		14,836	13,999
Preference shareholders' funds	13	4,220	4,220

Total shareholders' funds	15	19,056	18,219
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The financial statements on pages 7 to 23 were approved by the board of directors on 2014 and signed on its behalf by:


P W Browett
Director

13th June

Crown Speciality Packaging UK Limited

Company No: 02398420

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

Basis of accounting

These financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

The company is a wholly owned subsidiary company of a group headed by Crown Holdings, Inc., and is included in the consolidated financial statements of both that company and the intermediate parent company, Crown UK Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996), "Cash flow statements" from not presenting a cash flow statement.

Share-based payments

The Company's employees were members of one active stock-based incentive compensation plans – the 2007 plan – operated by the ultimate parent company, Crown Holdings, Inc., that currently comprise of fixed stock options.

The Company is applying the transitional arrangements of FRS 20 "Share-based payments" whereby only compensation expense for all non-vested share options at the date of transition granted after 7 November 2002, measured by the grant-date fair value of the awards, will be charged to the profit and loss account prospectively over the remaining vesting period based on the estimated number of awards that are expected to vest.

Similarly, compensation expense for all future awards will be recognised over the vesting period based on the grant-date fair value and the estimated number of awards that are expected to vest. Compensation expense is recognised over the vesting period on a straight-line basis over the total service period for the entire award. Valuation of awards granted prior to the adoption of the standard were calculated using the Black-Scholes option pricing model and the Company expects to use the same model for valuing future awards. Details of the share-based payment scheme are set out in note 19 to the financial statements.

At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at mid-market rates of exchange at the balance sheet date or if appropriate at a related forward contract rate. Revenue and expenditure items denominated in foreign currencies are translated to sterling at the average rate of exchange ruling in the month in which the transaction took place. All exchange differences are included in the profit and loss account in the period to which they relate.

Stock

Stock and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of work in progress and finished goods comprises direct materials, labour and attributable manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow moving or defective items where appropriate.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 Accounting policies (continued)

Turnover and other operating income

The company provides specialist manufacturing services under the terms of a contract manufacturing agreement with a fellow group undertaking Crown Packaging Europe GmbH (the Principal). Under the terms of this agreement finished goods manufactured by the company are sold to the Principal at an agreed price which represents a mark up on value added costs. Turnover, which excludes value added tax, represents the invoiced value of manufacturing services provided under the terms of the manufacturing agreement with the Principal. Certain territories are not included within the terms of the manufacturing agreement for the year ended 31 December 2013. In addition, certain sales to customers are not covered by the agreement in the current year. For sales outside of the manufacturing agreement, turnover represents the invoiced value of sales of packaging containers in the normal course of business. In all cases, revenue is recognised on delivery of the product or service or once all risks and rewards have passed to the customer.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at the historic purchase cost net of accumulated depreciation and provision for impairment in value. Cost includes interest on loans directly related to the funding of construction costs.

The carrying value of tangible fixed assets are reviewed by management in periods where events or changes in circumstances indicate the carrying value may not be appropriate.

Depreciation is charged to the profit and loss account on a straight-line basis so as to write off the cost of each asset less their estimated residual values, over the term of their estimated useful economic life. The estimated useful economic lives of the assets concerned are as follows:

Plant and machinery	5-18 years
Fixtures, fittings, tools and equipment	3-12 years
Buildings	10-40 years

Land and assets in the course of construction are not depreciated.

Operating leases

Rentals paid under operating leases are expensed to the profit and loss account on a straight-line basis over the term of the lease.

Deferred taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation. Provision is made in full for deferred taxation liabilities that arise from timing differences where transactions or events that result in an obligation to pay more taxation in the future have occurred at the balance sheet date. Deferred taxation assets are recognised to the extent that they are regarded as recoverable.

Deferred taxation is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation assets and liabilities are not discounted.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 Accounting policies (continued)

Retirement benefits

The company is a member of the Metal Box Pension Scheme ('the pension scheme'), which comprises both a defined benefit and defined contribution scheme. The assets of the pension scheme are held separately from the Group's assets in a Trustee administered fund. Details of the pension scheme are set out in note 18 to the financial statements.

Government grants

Regional development grants and other investment grants received are treated as deferred income and credited to the profit and loss account over the estimated useful economic life of the relevant fixed asset or in line with the terms and conditions of the grant received.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2 Turnover

Geographical analysis of turnover by destination, all of which arises from the company's principal activity originating in the UK is set out below:

	31 December 2013	31 December 2012 Restated
	£'000	£'000
EU Countries	9,102	11,227
Rest of Europe	46,827	52,802
	55,929	64,029

	31 December 2013	31 December 2012 Restated
	£'000	£'000
Customer analysis:		
Sales to external customers	504	1,522
Sales to fellow group undertakings	8,654	9,722
Sales to the Principal	46,771	52,785
	55,929	64,029

In the opinion of the directors, the company's activity of the manufacture and sale of tinplate based promotional packaging represents one class of business for the purpose of segmental reporting.

The 2012 customer analysis of turnover has been restated to correctly present the full turnover transactions with the Principal, in Switzerland.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

3 Operating profit

Operating profit is stated after charging/(crediting):	31 December 2013 £'000	31 December 2012 £'000
Other operating income	(584)	(860)
Change in stocks of finished goods and work in progress	(554)	119
Own work capitalised	(475)	(544)
Raw materials and consumables	27,885	33,769
Pension plan amendment (note 18)	(485)	-
Staff costs (see note 5)	16,053	16,118
Depreciation of tangible fixed assets (note 6)	770	1,201
Operating lease charges:		
- plant and machinery	832	830
- other	451	588
Auditors remuneration:		
- Audit of company's financial statements pursuant to legislation	22	44
Distribution costs	2,308	2,104
Redundancy and reorganisation	642	32
Net exchange gain	(25)	(16)
Post retirement medical benefits (note 18)	4	9
Loss/(profit) on disposal of fixed assets	175	(7)

4 Tax on profit on ordinary activities

	31 December 2013 £'000	31 December 2012 £'000
Current tax		
UK corporation tax on profits of the year	375	915
Total current tax	375	915
Deferred tax		
Origination and reversal of timing differences – current year	(200)	(129)
Adjustments in respect of previous year	1	-
Change in tax rate	19	2
Post-retirement medical benefits	109	(7)
Total deferred tax (note 12,18)	(71)	(134)
Tax on profit on ordinary activities	304	781

The tax assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained on the following page:

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Tax on profit on ordinary activities (continued)

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Profit on ordinary activities before tax	1,112	2,984
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	259	731
Effects of:		
Expenses not deductible for tax purposes	27	26
Profits taxed at different rates	-	18
Imputed interest expense/income	(2)	4
Accelerated capital allowances and other timing differences	91	136
Adjustment in respect of prior years	-	-
Current tax charge for the year	375	915

Changes to the UK Corporation tax system were announced in the 2013 Budget, including a further decrease to 21% from 1 April 2014 and 20% from 1 April 2015. These changes were enacted in July 2013.

5 Employees

The average monthly number of employees during the year, including executive directors, split by activity was:

	<i>2013 Number</i>	<i>2012 Number</i>
Production	363	370
Administration	69	69
	432	439

Staff costs

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Wages and salaries	13,191	12,723
Employee share option scheme (note 18)	18	38
Social security costs	1,216	1,224
Other pension costs (note 18)	1,628	2,133
	16,053	16,118

The company ceased paying post-retirement medical benefits to existing employees in 2013. The service cost of this in the year was £4,000 (2012: £9,000).

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Employees (continued)

No director received emoluments from the company during the year (2012: none).

Retirement benefits are accruing to two directors (2012: two) under the CarnaudMetalbox Group UK Ltd defined benefit pension scheme and to no directors (2012: none) under the defined contribution pension scheme.

During the year two (2012: one) of the directors exercised share options.

6 Tangible fixed assets

	<i>Land</i> <i>£'000</i>	<i>Buildings</i> <i>£'000</i>	<i>Plant and</i> <i>machinery</i> <i>£'000</i>	<i>Fixtures,</i> <i>fittings, tools</i> <i>and equipment</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<i>Cost</i>					
At 1 January 2013	-	3,652	44,054	2,599	50,305
Additions	-	1,522	3,513	157	5,192
Inter-company transfers	-	-	234	-	234
Disposals	-	-	(346)	-	(346)
Reclassifications	925	(925)	-	-	-
At 31 December 2013	925	4,249	47,455	2,756	55,385
<i>Accumulated depreciation</i>					
At 1 January 2013	-	1,394	37,819	1,413	40,626
Disposals	-	-	(154)	-	(154)
Inter-company transfers	-	-	41	-	41
Expense	-	83	607	80	770
At 31 December 2013	-	1,477	38,313	1,493	41,283
<i>Net book amount</i>					
At 31 December 2013	925	2,772	9,142	1,263	14,102
At 31 December 2012	-	2,258	6,235	1,186	9,679

Plant and machinery includes the cost of assets in the course of construction of £632,000 (2012: £2,823,000) which are not depreciated.

CROWN SPECIALITY PACKAGING UK LIMITED**Notes to the financial statements for the year ended 31 December 2013 (continued)****7 Stocks**

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Raw materials and consumables	1,328	1,130
Work in progress	1,308	1,224
Finished goods and goods for resale	1,102	632
	3,738	2,986

In the opinion of the directors the current replacement cost of stocks is not materially different from the amounts stated above.

8 Debtors (amounts falling due within one year)

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Amounts falling due within one year		
Trade debtors	34	76
Amounts due from Group undertakings	11,509	16,333
Other debtors	425	704
Prepayments	414	301
	12,382	17,414

Amounts owed by fellow Group undertakings are unsecured and have no fixed repayment date. There is no interest charged on loans owed by fellow UK Group undertakings. There are no loans to non UK fellow group undertakings.

9 Debtors (amounts falling due after one year)

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Deferred tax excluding deferred tax on medical plan liability	110	-
The deferred tax debtor balance comprises:		
Short term differences	275	-
Accelerated capital allowances	(165)	-
	110	-

CROWN SPECIALITY PACKAGING UK LIMITED**Notes to the financial statements for the year ended 31 December 2013 (continued)****10 Creditors – amounts falling due within one year**

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Trade creditors	6,111	5,741
Amounts due to Group undertakings	439	416
UK corporation taxation	375	915
Other taxation and social security	1,478	1,677
Accruals and deferred income	1,705	1,433
	10,108	10,182

Amounts due to Group undertakings are unsecured and have no fixed repayment date. There is no interest charged on loans due to fellow UK Group undertakings. There are no loans from non UK fellow group undertakings.

11 Creditors – amounts falling due after more than one year

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
1,000 5% cumulative preference shares of £1 each	1	1
Deferred Income – grant	1,006	1,055
Deferred Income - other	161	178
	1,168	1,234

The 5% cumulative preference shareholders have:

the right to a fixed cumulative preferential dividend at a rate of 5% per annum on the capital paid up thereon for the time being;

- no redemption rights;
- the right to receive Notices of General Meetings of the company and to attend and vote thereat;
- the right in a winding up to have the capital paid thereon and all arrears of dividends up to the date of commencement of the winding up, paid off, in priority to any payment of capital on the non-voting ordinary shares but with no further right to participate in the profits or assets of the company.

During 2010 a grant of £515k was received in relation to the relocation of the Mansfield Factory. This is being released over the 15 year lease term of the new building.

During 2012 a grant of £738k was received in relation to the relocation of the Aintree Factory. This is being released over a 5 year period. An additional £205k was received in 2013 which is also being released over a 5 year period.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

12 Provisions for liabilities

	<i>31 December</i> <i>2013</i> <i>£'000</i>	<i>31 December</i> <i>2012</i> <i>£'000</i>
Deferred tax excluding deferred tax on medical plan liability		
At 1 January	70	208
Credited to profit and loss account	(180)	(138)
Reclassified as debtor (amounts falling due after one year) (note 9)	110	-
At 31 December	-	70

13 Called-up share capital

	<i>31 December</i> <i>2013</i> <i>£'000</i>	<i>31 December</i> <i>2012</i> <i>£'000</i>
<i>Authorised:</i>		
44,500,000 (2012: 44,500,000) non-voting ordinary shares of £1 each	44,500	44,500
5,000,000 (2012: 5,000,000) preference shares of £1 each	5,000	5,000
	49,500	49,500
<i>Issued, called up and fully paid</i>		
44,500,000 (2012: 44,500,000) non-voting ordinary shares of £1 each	44,500	44,500
4,220,000 (2012: 4,220,000) preference shares of £1 each	4,220	4,220
	48,720	48,720

The non-voting ordinary shareholders have:

- no right to dividends other than those that may be recommended by the directors;
- no redemption rights;
- unlimited right to share in the surplus remaining on a winding up after all liabilities and participation rights of other classes of shares have been satisfied

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

13 Called-up share capital (continued)

The preference shareholders have:

- no right to dividends other than those that may be recommended by the directors;
- no redemption rights;
- the right to receive Notices of General Meetings of the company and to attend and vote thereat;
- the right in a winding up to have the capital paid thereon in priority to any payment of capital on the non-voting ordinary shares, but with no further right to participate in the assets of the company.

14 Profit and loss account

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
At 1 January	(30,501)	(32,752)
Profit for the financial year	808	2,203
Equity share option charge (note 19)	18	38
Actuarial gain on medical plan (note 18)	14	13
Movement on deferred tax relating to medical plan (note 18)	(3)	(3)
At 31 December (deficit)	(29,664)	(30,501)

15 Reconciliation of movements in shareholders' funds

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Opening shareholders' funds	18,219	15,968
Profit for the financial year	808	2,203
Equity share option charge	18	38
Actuarial gain on medical plan	14	13
Movement on deferred tax relating to medical plan	(3)	(3)
Closing shareholders' funds	19,056	18,219

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

16 Financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings 31 December 2013 £'000	Other 31 December 2013 £'000	Land and buildings 31 December Restated 2012 £'000	Other 31 December 2012 £'000
Within one year	-	154	-	283
Between two and five years	-	540	-	520
Over five years	836	19	828	-
Total	836	713	828	803

2012 has been restated to correctly include a warehouse lease commitment.

17 Capital Commitments

Capital commitments contracted but not provided for in the financial statements at 31 December 2013 amounted to £72,000 (2012: £3,631,000).

18 Retirement benefits

Pension scheme

The company participates in the Group's UK pension scheme, the Metal Box Pension Scheme, which is operated by CarnaudMetalbox Group UK Ltd and comprises both a defined benefit and defined contribution scheme providing benefits to certain employees within the Group. The scheme is funded and the assets of the scheme are held separately from the Group's assets in a Trustee administered fund.

The latest actuarial valuation of the UK Group scheme was carried out as at 31 December 2013 by professionally qualified independent actuaries, Aon Consulting. Details of this valuation are contained in the financial statements of Crown UK Holdings Limited. The total deficit of the scheme as at the 31 December 2013 was £248.6 million (2012: £182.0 million).

The contributions paid by the company for the year ended 31 December 2013 were £1,628,000 (2012: £2,133,000). All amounts due in the year were paid and as such there are no accruals or prepayments in respect of pension scheme contributions at the year end. The contributions are based on pension costs across the Group as a whole.

The deficit of the scheme has no implications for the company, as the deficit is funded by the immediate parent company.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

18 Retirement benefits (continued)

Post-retirement medical benefits

During 2013 the company announced that it was to cease participating in private post retirement schemes for existing Executives and, in some instances, their dependants. The costs of any existing pensioners with continuing entitlement to the post-retirement medical benefit are wholly accounted for in the Crown Packaging Plc accounts. The last actuarial valuation of the medical plan for the purposes of compliance with the requirements of FRS 17 was carried out by professionally qualified independent actuaries as at 31 December 2012 as no liability exists at 31 December 2013.

	2013	2012	2011
Discount rate	N/A	4.13%	4.75%
Future price inflation	N/A	2.75%	2.75%
Medical inflation	N/A	4.75%	4.75%

Post retirement medical benefits are not funded in advance. Premiums are paid as they fall due.

	31 December 2013	31 December 2012
Present value of liabilities	-	487
Related deferred tax asset	-	(112)
Post-retirement medical plan liability	-	375

The following amounts have been recognised in the performance statements in the year to 31 December 2013.

	31 December 2013 £'000	31 December 2012 £'000
Operating profit		
Current service cost	4	9

	31 December 2013 £'000	31 December 2012 £'000
Other finance expense		
Interest on plan liabilities	8	20

	31 December 2013 £'000	31 December 2012 £'000
Statement of total recognised gains and losses		
Actuarial (gain)	(14)	(13)
Movement on deferred tax relating to medical plan	3	3

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

18 Retirement benefits (continued)

Post-retirement medical benefits (continued)

Movement in deficit during the year

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Deficit in plan at the beginning of the year	487	471
Movement in the year:		
Current service cost	4	9
Other finance expense	8	20
Actuarial gain	(14)	(13)
Post service cost settlement	(485)	-
Deficit in plan at the end of the year	-	487

	<i>31 December 2013 £'000</i>	<i>31 December 2012 £'000</i>
Movement in deferred tax during the year:		
Opening balance at 1 January	112	118
Charged to the profit and loss account	(109)	(3)
Charged to the statement of total recognised gains and losses	(3)	(3)
Closing balance 31 December	-	112

19 Share-based payments

Share options

At 31 December 2013, the Company's employees were members of one active stock-based incentive compensation plans – the 2007 plan – operated by the ultimate parent company, Crown Holdings, Inc. The plans provide for the granting of awards in the form of stock options, deferred stock, restricted stock or stock appreciation rights ("SARs") and may be subject to the achievement of certain performance goals as determined by the Plan Committee designated by the Board of Directors. There were no issuances of deferred stock and or of SARs under any of the plans as of 31 December 2013. As of 31 December 2013, there were no further shares available for awards under the 2007 plan. The 2007 plan expires in February 2017. Shares awarded are generally issued from the ultimate parent Company's treasury shares.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

19 Share-based payment (continued)

A reconciliation of share option movements over the year to 31 December 2013 is shown below:

	<i>31 December 2013</i>		<i>31 December 2012</i>	
	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at start of the year	20,500	14.79	26,000	14.62
Exercised	(5,700)	14.99	(4,500)	14.79
Forfeited	-	-	(1,000)	14.79
Expired	-	-	-	-
Outstanding at end of the year	14,800	14.99	20,500	14.79
Exercisable at end of the year	14,800	14.99	13,500	14.79

There were nil options granted (2012: none) and none were forfeited (2012: 1,000) in the year ended 31 December 2013.

For options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life are as follows:

<i>31 December 2013</i>				<i>31 December 2012</i>		
Exercise prices	Number of shares outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number of shares outstanding	Weighted average remaining contractual life	Weighted average exercise price
GBP £	(000's)	Years	GBP £	(000's)	Years	GBP £
14.79 – 14.99	14.8	3.27	14.99	20.5	4.14	14.79

The share options are granted in US \$ but have been translated into GBP sterling for the purposes of this disclosure.

The weighted average share price during the period for options exercised over the year was £14.99 (2012: £14.79). The total charge for the year relating to employee share based payment plans was £18,000 (2012: £38,000), all of which related to equity-settled share based payment transactions. After deferred tax, the total charge was £14,000 (2012: £29,000).

Outstanding stock options have a contractual term of ten years, are fixed-price and non-qualified, and vest either semi-annually or annually up to six years from the date of grant.

CROWN SPECIALITY PACKAGING UK LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

19 Share-based payment (continued)

Outstanding stock options were valued at their grant-date fair value using the Black-Scholes option pricing model. Valuations incorporate several variables, including expected term, volatility, a risk-free interest rate and employee termination behaviour ("forfeiture rate"). The expected term (which is the time frame under which an award is exercised after grant) is derived from historical data about participant exercise patterns. Volatility is the expected fluctuation of the Company's stock price in the market and is derived from historical data about the Company's stock price. The risk-free interest rate is the U.S. Treasury yield curve rate in effect at the date of the grant which has a contractual life similar to the option's expected term. The forfeiture rate is based on historical data of the forfeiture of non-vested share-based awards through the termination of service by plan participants.

20 Guarantees

There is a fixed charge over the company's fixed assets, and a floating charge over the company's current assets which supports the Group's external funding.

21 Ultimate parent undertaking

The company's immediate parent undertaking is Crown Packaging UK plc, a company registered in the UK. The ultimate parent undertaking and controlling party is Crown Holdings, Inc., which is incorporated in the USA.

The smallest and largest groups for which financial statements are prepared and which include the financial statements of the company are Crown UK Holdings Limited and Crown Holdings, Inc. respectively.

Copies of the consolidated group financial statements of Crown UK Holdings Limited and Crown Holdings, Inc. are publicly available and may be obtained from the Company Secretary, CarnaudMetalbox Group UK Limited, Downsview Road, Wantage, Oxon OX12 9BP.

22 Related parties

The company has taken advantage of the exemption available under paragraph 3 (c) from the provisions of FRS 8, "Related Party Disclosures", which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it is a wholly owned subsidiary of a group headed by Crown Holdings, Inc., a company incorporated in the USA whose financial statements are publicly available. Accordingly the company has not therefore disclosed transactions with members of the Crown Holdings, Inc. Group.