

Registration number: 03979023

# Alcester Plastics Company Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2013

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## **Alcester Plastics Company Limited**

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**Alcester Plastics Company Limited  
Company Information**

<b>Directors</b>	G P Martin G E Barnes
<b>Company secretary</b>	A D C Westley
<b>Registered office</b>	11th Floor Colmore Plaza 20 Colmore Circus Queensway Birmingham West Midlands B4 6AT
<b>Auditor</b>	Deloitte LLP Chartered Accountants London United Kingdom

## **Alcester Plastics Company Limited**

### **Strategic Report for the Year Ended 31 December 2013**

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

#### **Principal activity**

The Company's principal activity is to act as an intermediate holding company. The Directors do not expect any change in this activity in the foreseeable future.

#### **Fair review of the business**

The retained loss for the year ended 31 December 2013 was £442,000 (year ended 31 December 2012: loss of £297,000).

The Company considers its key performance indicators to be in line with those of Melrose Industries PLC as disclosed in the Strategic Report of the 2013 Annual Report.

#### **Principal risks and uncertainties**

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### ***Credit risk***

The Company's credit risk is primarily attributable to its receivables from other Group undertakings. 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.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company ensures regular communication with other Group companies.

#### **Going concern**

The Directors have considered the going concern assumption given the current uncertain economic climate and have reviewed the Company forecast for the foreseeable future. After making enquiries and considering the above facts, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 10 June 2014 and signed on its behalf by:



.....  
G E Barnes  
Director

**Alcester Plastics Company Limited**  
**Directors' Report for the Year Ended 31 December 2013**

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

**Directors of the company**

The directors who held office during the year were as follows:

G P Martin

G E Barnes

**Dividends**

The Directors do not recommend the payment of a dividend in the year (year ended 31 December 2012: £nil).

**Directors' indemnities**


The ultimate parent undertaking has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of this report.

**Disclosure of information to the auditor**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 10 June 2014 and signed on its behalf by:

  
.....  
G E Barnes  
Director

## **Alcester Plastics Company Limited**

### **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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Alcester Plastics Company Limited**  
**Independent Auditor's Report to the members of Alcester Plastics Company Limited**

We have audited the financial statements of Alcester Plastics Company Limited for the year ended 31 December 2013, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 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 loss 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.

**Alcester Plastics Company Limited**  
**Independent Auditor's Report to the members of Alcester Plastics Company 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.



.....  
Jeremy Black (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor

London  
United Kingdom

11 June 2014



**Alcester Plastics Company Limited**  
**Profit and Loss Account for the Year Ended 31 December 2013**

	Note	2013 £ 000	2012 £ 000
Interest receivable and similar income	3	<u>3,158</u>	<u>4,503</u>
Profit on ordinary activities before taxation		3,158	4,503
Tax on profit on ordinary activities	6	<u>(3,600)</u>	<u>(4,800)</u>
Loss for the financial year	10	<u><u>(442)</u></u>	<u><u>(297)</u></u>

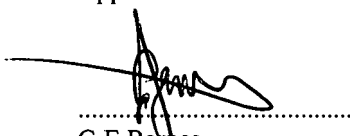
The above results derive from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

**Alcester Plastics Company Limited**  
**(Registration number: 03979023)**  
**Balance Sheet as at 31 December 2013**

	Note	2013 £ 000	2012 £ 000
<b>Current assets</b>			
Debtors	8	<u>228,121</u>	<u>227,069</u>
Net assets		<u>228,121</u>	<u>227,069</u>
<b>Capital and reserves</b>			
Called up share capital	9	265,327	263,833
Share premium reserve	10	67,776	67,776
Profit and loss account	10	<u>(104,982)</u>	<u>(104,540)</u>
Shareholders' funds	11	<u>228,121</u>	<u>227,069</u>

Approved and authorised for issue by the Board on 10 June 2014 and signed on its behalf by:

  
 .....  
 G E Barnes  
 Director

**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom law and accounting standards, and on a going concern basis as described in the Strategic Report.

**Exemption from preparing a cash flow statement**

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

**Exemption from preparing group accounts**

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group accounts.

**Going concern**

The Directors have considered the going concern assumption given the current uncertain economic climate and have reviewed the Company forecast for the foreseeable future. After making enquiries and considering the above facts, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Impairment**

Fixed assets (including investments) are reviewed for impairment when changes in circumstances or events indicate that the carrying value of the fixed assets may not be recoverable. An impairment loss is recognised where the recoverable amount is less than the carrying value.

**Fixed asset investments**

The Company's investments in shares in Group companies are stated at cost less provision for impairments in value. Income received from investments is credited to the Profit and Loss account on a receivables basis.

**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**1 Accounting policies (continued)**

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the Balance Sheet date there is a binding agreement to sell the revalued asset and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average 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 tax is measured on a non-discounted basis.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**2 Auditor's remuneration**

The fees payable to the Company's auditor for the audit of the financial statements of £3,000 (year ended 31 December 2012: £3,000) were borne by a fellow Group undertaking.

**3 Interest receivable and similar income**

	2013	2012
	£ 000	£ 000
Interest on loans to group undertakings	<u>3,158</u>	<u>4,503</u>

**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**4 Particulars of employees**

The Company did not have any employees in the current year or the prior year.

**5 Directors' remuneration**

The Directors received no remuneration for their services to the Company during the year (year ended 31 December 2012: £nil). The Directors of the Company who served during the year were also Directors of a number of the companies within the Melrose Group and as such remuneration of directors is borne by a fellow company.

**6 Taxation**

**Tax on profit on ordinary activities**

	<b>2013</b>	<b>2012</b>
	<b>£ 000</b>	<b>£ 000</b>
Total current tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>3,600</u>	<u>4,800</u>
Total tax on profit on ordinary activities	<u><u>3,600</u></u>	<u><u>4,800</u></u>

**Factors affecting current tax charge for the year**

The tax on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2012: lower than the standard rate of corporation tax in the UK) of 23.25% (2012: 24.5%).

The differences are reconciled below:

	<b>2013</b>	<b>2012</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit on ordinary activities before tax	<u>3,158</u>	<u>4,503</u>
Corporation tax at standard rate	734	1,103
Creation/(utilisation) of tax losses	-	(1,103)
Group relief at nil consideration	<u>(734)</u>	<u>-</u>
Total current tax	<u><u>-</u></u>	<u><u>-</u></u>

**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**7 Investments**

**Shares in group undertakings and participating interests**

	<b>Subsidiary undertakings £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 January 2013	<u>109,642</u>	<u>109,642</u>
At 31 December 2013	<u>109,642</u>	<u>109,642</u>
<b>Provision for impairment</b>		
At 1 January 2013	<u>109,642</u>	<u>109,642</u>
At 31 December 2013	<u>109,642</u>	<u>109,642</u>
<b>Net book value</b>		
At 31 December 2013	<u><u>-</u></u>	<u><u>-</u></u>
At 31 December 2012	<u><u>-</u></u>	<u><u>-</u></u>

**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**7 Investments (continued)**

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<b>Undertaking</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>				
Alcester Precision Investments	Great Britain	Ordinary	100%	Holding
BlueAzure Limited	Great Britain	Ordinary	100%	Holding*
Alcester Number 1 Limited	Great Britain	Ordinary	100%	Holding*
Alcester Overseas Limited	Great Britain	Ordinary	100%	Holding*
Prelok GmbH	Germany	Ordinary	100%	Manufacturing*
New Melrose Limited	Great Britain	Ordinary	100%	Dormant*
Eachairn Directors No 2 Limited	Great Britain	Ordinary	100%	Dormant*
Alcester Components Limited	Great Britain	Ordinary	100%	Dormant*
Prelok Limited	Great Britain	Ordinary	100%	Dormant*
Alcester Capricorn	Great Britain	Ordinary	100%	Dormant*

\* Undertaking held indirectly.

**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**8 Debtors**

	2013 £ 000	2012 £ 000
Amounts owed by group undertakings	228,121	223,469
Deferred tax	-	3,600
	<u>228,121</u>	<u>227,069</u>

Debtors includes (2012 - £3,600,000) receivable after more than one year.

	2013 £ 000	2012 £ 000
Deferred tax asset	-	3,600
	<u>-</u>	<u>3,600</u>

**9 Share capital**

**Allotted, called up and fully paid shares**

	No.	2013 £ 000	No.	2012 £ 000
Ordinary shares of £1 each	<u>265,327,237</u>	<u>265,327</u>	<u>263,832,684</u>	<u>263,833</u>

On 13 August 2013 the Company issued 1,494,553 Ordinary £1 shares at par to Melrose PLC.

**10 Reserves**

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2013	67,776	(104,540)	(36,764)
Loss for the year	-	(442)	(442)
At 31 December 2013	<u>67,776</u>	<u>(104,982)</u>	<u>(37,206)</u>



**Alcester Plastics Company Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**11 Reconciliation of movement in shareholders' funds**

	<b>2013</b>	<b>2012</b>
	<b>£ 000</b>	<b>£ 000</b>
Loss attributable to the members of the company	(442)	(297)
New share capital subscribed	-	49,000
Other ordinary share capital movements	<u>1,494</u>	<u>1,000</u>
Net addition to shareholders funds	1,052	49,703
Shareholders' funds at 1 January	<u>227,069</u>	<u>177,366</u>
Shareholders' funds at 31 December	<u><u>228,121</u></u>	<u><u>227,069</u></u>

**12 Related party transactions**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

**13 Control**

The immediate parent company is Melrose PLC, which is incorporated in England and Wales.

The ultimate parent company and controlling party is Melrose Industries PLC, which is incorporated in England and Wales.

The smallest and largest group in which results of the Company are consolidated is that headed by Melrose Industries PLC. Consolidated financial statements are available from the 11th Floor, Colmore Plaza, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.