

Company Registration No. 00899099 (England and Wales)

WIRE & PLASTIC PRODUCTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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WIRE & PLASTIC PRODUCTS LIMITED

COMPANY INFORMATION

Directors	M J Simmonds A Payne
Secretary	WPP Group (Nominees) Limited
Company number	00899099
Registered office	Pennypot Industrial Estate Hythe Kent
Auditor	Wilkins Kennedy Audit Services 5th Floor Ashford Commercial Quarter 1 Dover Place Ashford Kent TN23 1FB
Business address	Pennypot Industrial Estate Hythe Kent
Bankers	HSBC Bank plc RMS Dept Level 2 62-76 Park Street London SE1 9DZ

WIRE & PLASTIC PRODUCTS LIMITED

CONTENTS

	Page
Directors' report	1
Independent auditor's report	2 - 3
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7 - 18

WIRE & PLASTIC PRODUCTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the year was the manufacture, wholesale and distribution of wire and plastic products and holloware and kitchenware.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M J Simmonds
A Payne

Results and dividends

The results for the year are set out on page 4.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Statement of directors' responsibilities

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

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M J Simmonds

Director

20 JUNE 2019

WIRE & PLASTIC PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WIRE & PLASTIC PRODUCTS LIMITED

Opinion

We have audited the financial statements of Wire & Plastic Products Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

WIRE & PLASTIC PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WIRE & PLASTIC PRODUCTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



John McIntyre (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

Statutory Auditor

7 August 2019

5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1FB

WIRE & PLASTIC PRODUCTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	862,402	973,641
Cost of sales		(643,887)	(717,975)
Gross profit		<u>218,515</u>	<u>255,666</u>
Administrative expenses		(307,637)	(306,591)
Other operating income		14,063	14,287
Loss before taxation		<u>(75,059)</u>	<u>(36,638)</u>
Tax on loss	7	-	-
Loss for the financial year		<u><u>(75,059)</u></u>	<u><u>(36,638)</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

WIRE & PLASTIC PRODUCTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	8		1		1
Tangible assets	9		215,799		226,525
Investment properties	10		155,000		155,000
			<u>370,800</u>		<u>381,526</u>
Current assets					
Stocks	12	242,252		227,897	
Debtors	13	190,826		174,108	
Cash at bank and in hand		566,031		676,482	
		<u>999,109</u>		<u>1,078,487</u>	
Creditors: amounts falling due within one year	14	(133,064)		(148,109)	
Net current assets			<u>866,045</u>		<u>930,378</u>
Total assets less current liabilities			<u>1,236,845</u>		<u>1,311,904</u>
Capital and reserves					
Called up share capital	16	2,498,000		2,498,000	
Revaluation reserve	17	49,302		49,302	
Profit and loss reserves	18	(1,310,457)		(1,235,398)	
Total equity			<u>1,236,845</u>		<u>1,311,904</u>

The financial statements were approved by the board of directors and authorised for issue on 20 June 2019 and are signed on its behalf by:



M J Simmonds
Director

Company Registration No. 00899099

WIRE & PLASTIC PRODUCTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2017	2,498,000	49,302	(1,198,760)	1,348,542
Year ended 31 December 2017:				
Loss and total comprehensive income for the year	-	-	(36,638)	(36,638)
Balance at 31 December 2017	2,498,000	49,302	(1,235,398)	1,311,904
Year ended 31 December 2018:				
Loss and total comprehensive income for the year	-	-	(75,059)	(75,059)
Balance at 31 December 2018	2,498,000	49,302	(1,310,457)	1,236,845

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Wire & Plastic Products Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pennypot Industrial Estate, Hythe, Kent.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Wire & Plastic Products Limited is a wholly owned subsidiary of WPP PLC and the results of Wire & Plastic Products Limited are included in the consolidated financial statements of WPP PLC which are available from www.wpp.com.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trade mark	Fully amortised to residual value
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life.

In 2009 a review was undertaken of the estimated useful life of assets, this resulted in a change to these estimates. The change has the effect that over the remaining useful economic life of the assets, the revised depreciation rate will result in additional depreciation being recognised in the profit and loss, with a corresponding increase in profit on any future disposal of the freehold property.

The revised depreciation rates are as follows:

Freehold land and buildings	Not depreciated & straight line over 50 years
Plant and machinery	10% Straight line
Fixtures, fittings, equipment & computers	20% Straight line & 33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock valuation

Inventories are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made.

Depreciation

Tangible fixed assets are depreciated over their useful economic life which is an estimate. Details of depreciation rates are included in note 1.5.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Manufacturing of wire products	862,402	973,641

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue (Continued)

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	855,084	969,407
Europe	7,318	4,234
	<u>862,402</u>	<u>973,641</u>

4 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	4,830	4,725
Depreciation of owned tangible fixed assets	19,769	19,736
Loss on disposal of tangible fixed assets	43	-
Cost of stocks recognised as an expense	<u>252,583</u>	<u>281,983</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Production and Administration	<u>24</u>	<u>26</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	421,601	436,442
Social security costs	28,951	29,846
Pension costs	8,671	5,305
	<u>459,223</u>	<u>471,593</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	54,200	55,252
Company pension contributions to defined contribution schemes	1,995	1,680
	<u>56,195</u>	<u>56,932</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

7 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	<u>(75,059)</u>	<u>(36,638)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(14,261)	(6,961)
Group relief	12,232	3,325
Depreciation on assets not qualifying for tax allowances	<u>2,029</u>	<u>3,636</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

No provision has been made for deferred tax on losses as it is expected that any taxable losses arising will be surrendered to the group.

The deferred tax on gains recognised on revaluing the investment properties at 31 December 2018 is nil, due to the effect of indexation (2017: nil).

8 Intangible fixed assets

	Trade mark £
Cost	
At 1 January 2018 and 31 December 2018	<u>1</u>
Amortisation and impairment	
At 1 January 2018 and 31 December 2018	<u>-</u>
Carrying amount	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>1</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings, equipment & computers	Total
	£	£	£	£
Cost				
At 1 January 2018	248,131	462,987	31,689	742,807
Additions	-	-	9,086	9,086
Disposals	-	(120,312)	(6,283)	(126,595)
At 31 December 2018	248,131	342,675	34,492	625,298
Depreciation and impairment				
At 1 January 2018	72,000	416,472	27,810	516,282
Depreciation charged in the year	8,000	7,778	3,991	19,769
Eliminated in respect of disposals	-	(120,312)	(6,240)	(126,552)
At 31 December 2018	80,000	303,938	25,561	409,499
Carrying amount				
At 31 December 2018	168,131	38,737	8,931	215,799
At 31 December 2017	176,131	46,515	3,879	226,525

Legal ownership of the Freehold Land and Buildings transferred from group undertakings is held by the subsidiaries. However the rights of access and future economic benefits are held by the holding company and these assets have been shown in the books of Wire & Plastic Products Limited.

10 Investment property

	2018 £
Fair value	
At 1 January 2018 and 31 December 2018	155,000

The fair values of the investment properties have been arrived at on the basis of a valuation carried out at 31 December 2018 by the directors. The valuation was made on an open market value basis by reference to rental yields currently being received.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Subsidiaries

The company holds more than 20% of the share capital of the following companies:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Alton Wire Products Limited	England	Dormant company	Ordinary		100.00
Milburn Finance Limited	England	Dormant company	Ordinary		100.00
WPP Phoenix Three Limited	England	Dormant company	Ordinary		100.00

Milburn Finance Limited and WPP Phoenix Three Limited were dissolved on 29 January 2019.

12 Stocks

	2018 £	2017 £
Raw materials and consumables	70,785	58,123
Work in progress	18,455	22,866
Finished goods and goods for resale	153,012	146,908
	<u>242,252</u>	<u>227,897</u>

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	180,799	163,799
Prepayments and accrued income	10,027	10,309
	<u>190,826</u>	<u>174,108</u>

Trade debtors disclosed above are measured at amortised cost.

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	69,198	67,266
Amounts owed to group undertakings	-	1,335
Taxation and social security	30,662	37,698
Accruals and deferred income	33,204	41,810
	<u>133,064</u>	<u>148,109</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	8,671	5,305

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2,498,000 Ordinary shares of £1 each	2,498,000	2,498,000

17 Revaluation reserve

	2018 £	2017 £
At the beginning and end of the year	49,302	49,302

18 Profit and loss reserves

	2018 £	2017 £
At the beginning of the year	(1,235,398)	(1,198,760)
Loss for the year	(75,059)	(36,638)
At the end of the year	(1,310,457)	(1,235,398)

19 Financial commitments, guarantees and contingent liabilities

Wire & Plastic Products Limited participates in group banking arrangements with its parent company, WPP plc, and has access to a group cash management facility. Wire & Plastic Products Limited guarantees the facility to the extent of its cash deposited in the UK with its clearing bank. Wire & Plastic Products Limited, together with its parent, WPP plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. Wire & Plastic Products Limited has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

For VAT purposes the company is grouped with other companies of the WPP Group. Under this agreement the company has a joint and several liability for amounts due to H M Customs and Excise by those other companies.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Events after the reporting date

As a result of a review of group operations the current owners of the company intend to transfer the trade and certain assets and liabilities of the company to Delfinware Household Products Ltd, a company owned by an existing director of the company, with effect from 1 July 2019.

21 Ultimate controlling party

The directors regard Belgrave Square, a company incorporated in England and Wales, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP 2008 Limited, incorporated in England and Wales.

Copies of the financial statements of WPP plc are available at www.wpp.com. Copies of the financial statements of WPP 2008 Limited can be obtained from 27 Farm Street, London, W1J 5RJ.