

COMPANY REGISTRATION NUMBER 02325035

BAY PLASTICS LIMITED
FINANCIAL STATEMENTS
30th SEPTEMBER 2015



BAY PLASTICS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

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BAY PLASTICS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	M. Currell Ms D. McIver
Company secretary	Ms D. McIver
Registered office	Unit H1 High Flatworth Tyne Tunnel Trading Estate North Shields Tyne and Wear NE29 7UZ
Accountants	Ramshaw & Co Limited Yarm House Roseworth Crescent Gosforth Newcastle Upon Tyne NE3 1NR
Auditor	Tait Walker LLP Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	HSBC Bank plc 279 Whitley Road Whitley Bay Tyne & Wear NE26 2SW

BAY PLASTICS LIMITED

STRATEGIC REPORT

YEAR ENDED 30th SEPTEMBER 2015

Review of the business

Another busy year with further sustained growth in all sectors of the business. Continued substantial investment into new machinery and products, coupled with some internal restructuring has contributed to more efficient systems development including stringent stock control giving a solid foundation on which to build future growth.

Development and performance during the year

All key performance indicators (KPI) exceeded target in the year. Together with continuing investment into new products and machinery, coupled with additional emphasis on quality and training with the aim to increase efficiency and quality further. Action on ISO accreditation will contribute as part of this process.

Principal risks and uncertainties

As outlined within the Directors report, together with the risk management thereof. Updated contracts with major supplier and customer alleviates risk factors proportionality.

Financial key performance indicators

These include:

- Daily invoice total against budget
- Daily order intake against budget
- Daily margin achieved against budget
- Average cost per employee monthly including overtime
- Daily liquidity ratios
- Profit before tax

Signed on behalf of the directors

D. McIver

Ms D. McIver

Secretary

Approved by the directors on

7th December 2015

BAY PLASTICS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30th SEPTEMBER 2015

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th September 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the supply, conversion and fabrication of various plastic materials.

RESULTS AND DIVIDENDS

The profit for the year amounted to £743,903. Particulars of dividends paid are detailed in note 9 to the financial statements.

FINANCIAL RISK MANAGEMENT POLICY

The company's principal financial instruments comprise cash, factoring advances and asset finance. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the company's operating activities.

The main risks associated with the company's financial assets and liabilities are set out below.

Credit risk

Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate credit worthiness. The company uses invoice discounting for its debtors and takes out insurance to cover the event of default by a customer. This covers the company for 90% of the debt, therefore the credit risk exposure is only 10% of any insured debt.

Price risk

There is exposure to changes in the carrying value of financial liabilities to the extent of the liabilities bearing interest at a fixed rate. The company does not deem the exposure to price changes in raw materials to be significant enough to consider hedging the cost of the materials.

Liquidity risk

The company aims to manage liquidity risk by maintaining sufficient cash and open committed credit lines from banks for its funding requirements.

Interest rate risk

The company borrows using a mix of fixed rate debt. Whilst fixed interest bearing is not exposed to cash flow interest rate risk, there is no opportunity for the company to enjoy a reduction in borrowing costs in markets where rates are falling. In contract, floating rate borrowings are exposed to cash flow risks as costs increase if market rates rise.

Foreign currency risk

The company's principal transactions in foreign currency arise directly from the company's operating activities. The main risk arises from the movements in the Euro and US Dollar exchange rates. The company does not consider the risk to be of such significance to warrant any hedging activity.

BAY PLASTICS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30th SEPTEMBER 2015

DIRECTORS

The directors who served the company during the year were as follows:

M. Currell
Ms D. McIver

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 estimates that are reasonable and prudent; 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

BAY PLASTICS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30th SEPTEMBER 2015

AUDITOR

Tait Walker LLP were appointed as auditors on 24th March 2015. A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the directors

D. McIver

Ms D. McIver
Secretary

Approved by the directors on 7TH DECEMBER 2015

BAY PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF BAY PLASTICS LIMITED

YEAR ENDED 30th SEPTEMBER 2015

We have audited the financial statements of Bay Plastics Limited for the year ended 30th September 2015 set out on pages 8 to 26. 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). The financial statements of the company as at 30th September 2014 were unaudited.

This report is made solely to the company's board of directors, 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 board of directors 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 board of directors as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS 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.

BAY PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF BAY PLASTICS LIMITED *(continued)*

YEAR ENDED 30th SEPTEMBER 2015

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.



Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants & Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS



BAY PLASTICS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30th SEPTEMBER 2015**

		2015	2014
	Note	£	(Un-audited) (Restated) £
TURNOVER	2	8,890,645	7,484,148
Cost of sales		<u>5,390,994</u>	<u>4,156,748</u>
GROSS PROFIT		3,499,651	3,327,400
Administrative expenses		<u>2,963,556</u>	<u>2,535,161</u>
OPERATING PROFIT	3	536,095	792,239
Profit on disposal of fixed assets	6	6,000	2,200
Interest payable and similar charges	7	10,271	9,777
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>531,824</u>	<u>784,662</u>
Tax on profit on ordinary activities	8	(212,079)	165,980
PROFIT FOR THE FINANCIAL YEAR		<u><u>743,903</u></u>	<u><u>618,682</u></u>

All of the activities of the company are classed as continuing.

The notes on pages 14 to 26 form part of these financial statements.

BAY PLASTICS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30th SEPTEMBER 2015

	2015	2014
	£	(Un-audited) (Restated)
		£
Profit for the financial year attributable to the shareholders	743,903	618,682
Total recognised gains and losses relating to the year	743,903	618,682
Prior year adjustment (see note 10)	146,771	—
Total gains and losses recognised since the last annual report	890,674	618,682

The notes on pages 14 to 26 form part of these financial statements.

BAY PLASTICS LIMITED
COMPANY REGISTRATION NUMBER: 02325035
BALANCE SHEET

30th SEPTEMBER 2015

		2015		2014	
	Note	£	£	(Un-audited) (Restated)	£
FIXED ASSETS					
Tangible assets	11		627,297		531,971
CURRENT ASSETS					
Stocks	12	952,346		1,171,863	
Debtors	13	1,988,873		2,020,474	
Cash at bank		151,950		105,888	
		<u>3,093,169</u>		<u>3,298,225</u>	
CREDITORS: Amounts falling due within one year	14	<u>1,655,234</u>		<u>2,438,494</u>	
NET CURRENT ASSETS			<u>1,437,935</u>		<u>859,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,065,232</u>		<u>1,391,702</u>
CREDITORS: Amounts falling due after more than one year	15		267,174		178,578
PROVISIONS FOR LIABILITIES					
Deferred taxation	18		82,338		96,840
Government grants	19		19,833		—
			<u>1,695,887</u>		<u>1,116,284</u>
CAPITAL AND RESERVES					
Called-up equity share capital	23		8,000		8,000
Other reserves	24		2,000		2,000
Profit and loss account	25		<u>1,685,887</u>		<u>1,106,284</u>
SHAREHOLDERS' FUNDS	26		<u>1,695,887</u>		<u>1,116,284</u>

These financial statements were approved by the directors and authorised for issue on 7th December 2015,
and are signed on their behalf by:



M Currell
Director

The notes on pages 14 to 26 form part of these financial statements.

BAY PLASTICS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30th SEPTEMBER 2015**

	2015		2014	
	£	£	(Un-audited) £	(Restated) £
NET CASH INFLOW FROM OPERATING ACTIVITIES		780,903		564,143
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	(3,668)		(5,698)	
Interest element of hire purchase	<u>(6,603)</u>		<u>(4,079)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(10,271)		(9,777)
TAXATION		77,036		(50,059)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(88,331)		(303,937)	
Receipts from sale of fixed assets	<u>23,250</u>		<u>5,600</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(65,081)		(298,337)
EQUITY DIVIDENDS PAID		(164,300)		(160,000)
CASH INFLOW BEFORE FINANCING		618,287		45,970
FINANCING				
Amounts due / advances from factors	(521,126)		(247,227)	
Capital element of hire purchase	(71,699)		247,063	
New grants received	<u>20,600</u>		<u>—</u>	
NET CASH OUTFLOW FROM FINANCING		(572,225)		(164)
INCREASE IN CASH		<u>46,062</u>		<u>45,806</u>

The notes on pages 14 to 26 form part of these financial statements.

BAY PLASTICS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30th SEPTEMBER 2015

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	(Un-audited) (Restated) £
Operating profit	536,095	792,239
Depreciation	168,571	128,410
Amortisation of government grants	(767)	—
Decrease/(increase) in stocks	219,517	(514,326)
Decrease/(increase) in debtors	295,582	(704,852)
(Decrease)/increase in creditors	(438,095)	862,672
Net cash inflow from operating activities	<u>780,903</u>	<u>564,143</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015	2014
	£	(Un-audited) (Restated) £
Increase in cash in the period	46,062	45,806
Invoice finance	521,126	247,227
Cash outflow in respect of hire purchase	<u>71,699</u>	<u>(247,063)</u>
Change in net debt resulting from cash flows	638,887	45,970
New finance leases	(192,816)	—
Movement in net debt in the period	<u>446,071</u>	<u>45,970</u>
Net debt at 1 October 2014	(398,320)	(444,290)
Net surplus / (debt) at 30 September 2015	<u>47,751</u>	<u>(398,320)</u>

The notes on pages 14 to 26 form part of these financial statements.

BAY PLASTICS LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30th SEPTEMBER 2015

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Oct 2014 £	Cash flows £	Other changes £	At 30 Sep 2015 £
Net cash:				
Cash in hand and at bank	<u>105,888</u>	<u>46,062</u>	<u>—</u>	<u>151,950</u>
Debt:				
Debt due within 1 year	(257,145)	521,126	—	263,981
Hire purchase agreements	(247,063)	71,699	(192,816)	(368,180)
	<u>(504,208)</u>	<u>592,825</u>	<u>(192,816)</u>	<u>(104,199)</u>
Net (debt) / surplus	<u>(398,320)</u>	<u>638,887</u>	<u>(192,816)</u>	<u>47,751</u>

The notes on pages 14 to 26 form part of these financial statements.

BAY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the value of sales made during the year net of discounts, returns and Value Added Tax and is recognised when the goods are physically delivered to the customer.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	20% Straight line
Fixtures & Fittings	-	15% Straight line
Motor Vehicles	-	25% Straight line
Computer Equipment	-	25% Straight line

Stocks

Stock is valued at the lower of cost and net realisable value.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 2015

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

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 entity after deducting all of its financial liabilities.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2015	2014
		<i>(Un-audited) (Restated)</i>
	£	£
United Kingdom	<u>8,890,645</u>	<u>7,484,148</u>

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 2015

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2015	2014 <i>(Un-audited) (Restated)</i>
	£	£
Amortisation of government grants	(767)	–
Depreciation of owned fixed assets	102,049	84,808
Depreciation of assets held under hire purchase agreements	66,522	43,602
Auditor's remuneration		
- as auditor	7,500	–
Operating lease costs:		
- Other	<u>165,959</u>	<u>151,969</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015	2014 <i>(Un-audited) (Restated)</i>
	No	No
Number of production & design staff	28	28
Number of stock & distribution staff	6	6
Number of sales & administrative staff	10	11
Number of directors	<u>2</u>	<u>2</u>
	<u>46</u>	<u>47</u>

The aggregate payroll costs of the above were:

	2015	2014 <i>(Un-audited) (Restated)</i>
	£	£
Wages and salaries	1,342,833	1,205,891
Social security costs	113,632	106,153
Other pension costs	<u>186,686</u>	<u>183,983</u>
	<u>1,643,151</u>	<u>1,496,027</u>

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 2015

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014 <i>(Un-audited) (Restated)</i>
	£	£
Aggregate remuneration	27,769	29,801
Value of company pension contributions to money purchase schemes	151,413	165,502
	<u>179,182</u>	<u>195,303</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2015	2014 <i>(Un-audited) (Restated)</i>
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6. PROFIT ON DISPOSAL OF FIXED ASSETS

	2015	2014 <i>(Un-audited) (Restated)</i>
	£	£
Profit on disposal of fixed assets	<u>6,000</u>	<u>2,200</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014 <i>(Un-audited) (Restated)</i>
	£	£
Finance charges	6,603	4,079
Other similar charges payable	3,668	5,698
	<u>10,271</u>	<u>9,777</u>

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 2015

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2015		2014	
	£	£	(Un-audited) £	(Restated) £
Current tax:				
UK Corporation tax based on the results for the year at 20% (2014 - 21%)		-		120,541
Over/under provision in prior year		(197,577)		(1)
Total current tax		(197,577)		120,540
Deferred tax:				
Origination and reversal of timing differences (note 18)				
Capital allowances	15,406		45,440	
Losses	(29,354)		-	
Other	(554)		-	
Total deferred tax (note 18)		(14,502)		45,440
Tax on profit on ordinary activities		(212,079)		165,980

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2014 - 21%).

	2015	2014
	£	(Un-audited) £ (Restated)
Profit on ordinary activities before taxation	<u>531,824</u>	<u>784,662</u>
Profit on ordinary activities by rate of tax	106,365	164,779
Expenses not deductible for tax purposes	8,570	-
Capital allowances for period in excess of depreciation	(21,779)	(40,993)
Unrelieved tax losses	27,967	-
Adjustments to tax charge in respect of previous periods	(197,577)	(1)
Marginal relief	-	(3,245)
R&D credit	(121,123)	-
Total current tax (note 8(a))	<u>(197,577)</u>	<u>120,540</u>

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 2015

9. DIVIDENDS

Equity dividends

	2015	2014
	£	(Un-audited) (Restated) £
Paid during the year:		
Dividends on equity shares	<u>164,300</u>	<u>160,000</u>

This represents a dividend paid per ordinary share of £20.5375 (2014 - £20.00) per share.

10. PRIOR YEAR ADJUSTMENT

The results for the year ended 30th September 2014 have been re-stated as follows:

	£
Profit per original 2014 financial statements	471,911
Stock adjustment	183,464
Corporation tax provision adjustment	(36,693)
Profit per restated 2014 financial statements	<u>618,682</u>

Understated stock

The company previously did not value stock items which were cut-offs below a specific area, on review this policy was not accounting for stock of a material value which was subsequently utilised by the company. A prior year adjustment was made to include the stock value previously not recognised in the balance sheet, totalling £183,464. The impact in the 2014 financial statements is £183,464 increase in the value of closing stock.

Taxation impact of the prior year adjustment

The accumulated impact of the prior year adjustment resulted in an increase in the accumulated profits of the company and a change to the year end stock value.

The corporation tax charge within the financial statements for the year ended 30 September 2014 was understated as following the re-statement there would be an additional corporation tax charge of £36,693.

BAY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

11. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST					
At 1 October 2014	1,045,697	150,117	108,820	40,092	1,344,726
Additions	147,140	—	134,007	—	281,147
Disposals	(45,288)	—	(55,680)	(7,048)	(108,016)
At 30 September 2015	1,147,549	150,117	187,147	33,044	1,517,857
DEPRECIATION					
At 1 October 2014	642,150	76,358	73,972	20,275	812,755
Charge for the year	119,408	18,039	23,490	7,634	168,571
On disposals	(28,038)	—	(55,680)	(7,048)	(90,766)
At 30 September 2015	733,520	94,397	41,782	20,861	890,560
NET BOOK VALUE					
At 30 September 2015	414,029	55,720	145,365	12,183	627,297
At 30 September 2014	403,547	73,759	34,848	19,817	531,971

Hire purchase agreements

Included within the net book value of £627,297 is £381,793 (2014 - £242,147) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £66,522 (2014 - £43,602).

12. STOCKS

	2015 £	2014 (Un-audited) (Restated) £
Raw materials	848,433	1,096,987
Work in progress	40,745	17,632
Finished goods	63,168	57,244
	952,346	1,171,863

BAY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

13. DEBTORS

	2015	2014
	£	(Un-audited) (Restated) £
Trade debtors	1,674,457	1,963,570
Invoice finance	263,981	—
Prepayments and accrued income	50,435	56,904
	<u>1,988,873</u>	<u>2,020,474</u>

14. CREDITORS: Amounts falling due within one year

	2015	2014
	£	(Un-audited) (Restated) £
Invoice finance	—	257,145
Trade creditors	1,298,706	1,731,770
Corporation tax	—	120,541
PAYE and social security	27,477	26,566
VAT	120,313	122,724
Hire purchase agreements	101,006	68,485
Accruals and deferred income	107,732	111,263
	<u>1,655,234</u>	<u>2,438,494</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2015	2014
	£	(Un-audited) (Restated) £
Invoice finance	—	257,145
Hire purchase agreements	101,006	68,485
	<u>101,006</u>	<u>325,630</u>

Bank facilities provided by HSBC plc are secured by way of a first mortgage over HSBC life policy, general letter of pledge and a fixed and floating charge over book and other debts and assets.

Liabilities relating to hire purchase and finance lease agreements creditors are secured against the assets to which they relate.

BAY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

15. CREDITORS: Amounts falling due after more than one year

	2015	2014 (Un-audited) (Restated)
	£	£
Hire purchase agreements	<u>267,174</u>	<u>178,578</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2015	2014 (Un-audited) (Restated)
	£	£
Hire purchase agreements	<u>267,174</u>	<u>178,578</u>

Liabilities relating to hire purchase and finance lease agreements creditors are secured against the assets to which they relate.

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2015	2014 (Un-audited) (Restated)
	£	£
Amounts payable within 1 year	<u>101,006</u>	68,485
Amounts payable between 2 to 5 years	<u>267,174</u>	<u>178,578</u>
	<u>368,180</u>	<u>247,063</u>
Hire purchase agreements are analysed as follows:		
Current obligations	<u>101,006</u>	68,485
Non-current obligations	<u>267,174</u>	<u>178,578</u>
	<u>368,180</u>	<u>247,063</u>

17. PENSIONS

The company operates two defined contribution pension schemes. The assets of both schemes are held separately from those of the company by independent managers. The pension charge for the year represents contributions payable by the company into the fund. The charge in respect of the director pension scheme amounted to £151,413 (2014 - £165,502). The charge in respect of the staff pension scheme amounted to £35,273 (2014 - £18,481). At 30th September 2015 an amount of £2,787 (2014 - £3,142) was held within accruals in respect of the staff pension scheme.

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th SEPTEMBER 2015

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2015	2014 (Un-audited) (Restated)
	£	£
Provision brought forward	96,840	51,400
Profit and loss account movement arising during the year	(14,502)	45,440
Provision carried forward	<u>82,338</u>	<u>96,840</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015	2014 (Un-audited) (Restated)
	£	£
Excess of taxation allowances over depreciation on fixed assets	112,246	96,840
Tax losses available	(29,354)	-
Other timing differences	(554)	-
	<u>82,338</u>	<u>96,840</u>

19. GOVERNMENT GRANTS

	2015	2014 (Un-audited) (Restated)
	£	£
Received and receivable:		
Receivable during year	20,600	-
At 30th September 2015	<u>20,600</u>	<u>-</u>
Amortisation:		
Credit to profit and loss account	767	-
At 30th September 2015	<u>767</u>	<u>-</u>
Net balance at 30th September 2015	<u>19,833</u>	<u>-</u>

BAY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

20. COMMITMENTS UNDER OPERATING LEASES

At 30th September 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings	Other Items	Land and buildings (Un-audited)	Other Items (Restated)
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	642	-	3,144
After 1 year but within 5 years	-	12,843	-	4,843
After 5 years	144,931	-	139,249	-
	<u>144,931</u>	<u>13,485</u>	<u>139,249</u>	<u>7,987</u>

21. TRANSACTIONS WITH THE DIRECTORS

During the year an interest free loan facility, repayable on demand, was made available to the directors as follows:

	£
M. Currell	
Total drawn during the year	<u>38,575</u>
Total repaid during the year	<u>38,575</u>
Ms D. McIver	
Total drawn during the year	<u>38,575</u>
Total repaid during the year	<u>38,575</u>

22. RELATED PARTY TRANSACTIONS

The company rented unit C18 from the small self-administered pension scheme whose sole beneficiaries are directors, M. Currell and Ms D. McIver. During the year the company paid £11,000 (2014 - £11,000) for the rent, at full market valuation, of unit C18 and there was £nil (2014 - £nil) outstanding at the year end.

M. Currell, a director, received dividends totalling £82,150 (2014 - £80,000) during the year.

Ms D. McIver, a director, received dividends totalling £82,150 (2014 - £80,000) during the year.

BAY PLASTICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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23. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	(Un-audited) (Restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>

On 14th October 2007 the company recognised a share buy-back of 2,000 shares for a total consideration of £100,000. During the year ended 30th September 2015 it was identified that the legal requirements for the buy-back had not been met, meaning that the buy-back was invalid. The company sought legal advice and the share buy-back was validly completed on 17 December 2014 to validate the share buy-back.

24. OTHER RESERVES

	2015	2014
	£	(Un-audited) (Restated)
	£	£
Capital redemption reserve	<u>2,000</u>	<u>2,000</u>

25. PROFIT AND LOSS ACCOUNT

	2015	2014
	£	(Un-audited) (Restated)
	£	£
Balance brought forward as previously reported	959,513	647,602
Prior year adjustment (see note 10)	<u>146,771</u>	<u>—</u>
Balance brought forward restated	1,106,284	647,602
Profit for the financial year	743,903	618,682
Equity dividends	<u>(164,300)</u>	<u>(160,000)</u>
Balance carried forward	<u>1,685,887</u>	<u>1,106,284</u>

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	(Un-audited) (Restated)
	£	£
Profit for the financial year	743,903	618,682
Equity dividends	<u>(164,300)</u>	<u>(160,000)</u>
Net addition to shareholders' funds	579,603	458,682
Opening shareholders' funds	969,513	657,602
Prior year adjustment (see note 10)	<u>146,771</u>	<u>—</u>
Closing shareholders' funds	<u>1,695,887</u>	<u>1,116,284</u>

BAY PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th SEPTEMBER 2015

27. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party.