

COMPANY REGISTRATION NUMBER 3088344

**CARCLO TECHNICAL PLASTICS LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**31 MARCH 2012**

SATURDAY



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22/12/2012  
COMPANIES HOUSE

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **ACCOUNTS**

**YEAR ENDED 31 MARCH 2012**

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# **CARCLO TECHNICAL PLASTICS LIMITED**

## **COMPANY INFORMATION**

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### **The board of directors**

Mr P N Ward  
Mr R J Brooksbank  
Mr E Cook  
Mr I Williamson

### **Company secretary**

Mr E Cook

### **Registered office**

Springstone House  
P O Box 88  
27 Dewsbury Road  
Ossett  
WF5 9WS

### **Auditor**

KPMG Audit Plc  
Statutory Auditor  
Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2012**

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The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2012

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity during the year was the manufacture and sale of injection moulded plastic components for the medical, optical and teletronics industries

Turnover during the year was £24,540,045 (2011 - £23,934,149) Operating loss before rationalisation costs and amortisation was £123,950 (2011 - £865,543 profit)

The company enjoyed revenue growth from established medical diagnostic customers, however operating margin was negatively impacted by start up costs on new manufacturing processes

#### **FUTURE DEVELOPMENTS**

In the UK business development is a long process - our most important source of new contracts is from innovative new businesses which take some years to develop into major customers - but we have some exciting new projects which are now gaining momentum

#### **RESULTS AND DIVIDENDS**

The loss for the year amounted to £831,217 (2011 £315,220 profit) The directors have not recommended a dividend (2011 £nil)

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The major business risk is from the demands of the customer base for sourcing from low cost regions Although we are generally successful in ensuring that the customer relocates the work to another Carclo facility, this pressure ultimately results in our business losing the work

The economic climate throughout the world has continued to prove challenging This has increased volatility and uncertainty for both the industries and customers served by the business However the company serves a number of markets, such as medical, which are detached from general consumer activity and have so far been largely unaffected by the global recession Should demand be impacted in these markets the company has a proven track record in acting swiftly to re-balance the supply base with demand

The company uses engineering polymers to produce finished products Polymers are produced from feedstock which is linked to oil and polymer prices which move in response to supply and demand and the underlying cost of feedstock This potentially introduces volatility in the cost of raw materials The risk is managed by negotiating pass through pricing whereby our customer accepts the risk of movements in base polymer prices

The company's principal energy requirement is for electricity, the cost of which stabilised during 2010 at below the peak levels seen in 2008 but in the year ended 31 March 2012 increasing prices were experienced To mitigate the risk of price volatility the company is part of a UK corporate pool which enters into fixed tariffs on rolling contracts, typically six months in duration

The company has revenues in various currencies and therefore faces a transaction risk as currencies fluctuate The company aims to mitigate this risk through a natural hedge whereby sales revenues and costs in each currency are matched as far as practicable

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2012**

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### **DIRECTORS**

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

Mr P N Ward  
Mr R J Brooksbank  
Mr E Cook  
Mr I Williamson

### **DISCLOSURE OF INFORMATION TO AUDITOR**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

### **POLICY ON THE PAYMENT OF CREDITORS**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. No code or standard is followed.

At 31 March 2012 the company had an average of 52 (31 March 2011 - 49) days' purchases outstanding in trade creditors.

### **DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned. If an employee becomes disabled he or she continues to be employed, wherever possible, in the same job. If the degree of disablement makes this impracticable, every effort is made to find suitable alternative employment and to give appropriate training. The company's policy on training and career progression applies equally to everyone within the company, whether or not he or she is disabled.

### **EMPLOYEE INVOLVEMENT**

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed of matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, circulation of the annual group accounts and a periodic newsletter for employees. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interest.

# CARCLO TECHNICAL PLASTICS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

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### AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

Registered office  
Springstone House  
P O Box 88  
27 Dewsbury Road  
Ossett  
WF5 9WS

Signed by order of the directors



MR E COOK  
Company Secretary

Approved by the directors on 19 December 2012

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31 MARCH 2012**

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The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts 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 accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARCLO TECHNICAL PLASTICS LIMITED**

**YEAR ENDED 31 MARCH 2012**

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We have audited the accounts of Carclo Technical Plastics Limited for the year ended 31 March 2012 as set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the accounts 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 ACCOUNTS**

A description of the scope of an audit of accounts is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **OPINION ON ACCOUNTS**

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.



## **CARCLO TECHNICAL PLASTICS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARCLO TECHNICAL PLASTICS LIMITED *(continued)***

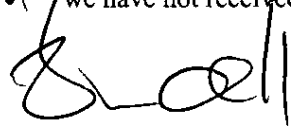
**YEAR ENDED 31 MARCH 2012**

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#### **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 accounts 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



Mike Barradell (Senior Statutory Auditor)

For and on behalf of

KPMG Audit Plc

Statutory Auditor

Chartered Accountants

1 The Embankment

Neville Street

Leeds

LS1 4DW

19 December 2012

**CARCLO TECHNICAL PLASTICS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	<b>2</b>	<b>24,540,045</b>	<b>23,934,149</b>
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(812,785)</b>	<b>391,138</b>
Net interest payable	<b>6</b>	<b>(78,963)</b>	<b>(94,352)</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(891,748)</b>	<b>296,786</b>
Tax on (loss)/profit on ordinary activities	<b>7</b>	<b>60,531</b>	<b>18,434</b>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(831,217)</b>	<b>315,220</b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 21 form part of these accounts

# CARCLO TECHNICAL PLASTICS LIMITED

## BALANCE SHEET

31 MARCH 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	8	3,900,650	4,160,694
Tangible assets	9	8,555,389	8,128,309
		<u>12,456,039</u>	<u>12,289,003</u>
<b>CURRENT ASSETS</b>			
Stocks	10	3,038,895	3,400,980
Debtors	11	6,291,238	7,540,052
Of which due after one year	11	—	387,040
Cash in hand		<u>105,558</u>	<u>1,054,345</u>
		9,435,691	11,995,377
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(4,800,318)</u>	<u>(6,385,180)</u>
<b>NET CURRENT ASSETS</b>		<u>4,635,373</u>	<u>5,610,197</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>17,091,412</u>	<u>17,899,200</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<u>(11,218,663)</u>	<u>(11,195,234)</u>
<b>NET ASSETS</b>		<u>5,872,749</u>	<u>6,703,966</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	18	1,000,001	1,000,001
Profit and loss account	19	4,872,748	5,703,965
<b>SHAREHOLDERS' FUNDS</b>	20	<u>5,872,749</u>	<u>6,703,966</u>

These accounts were approved by the directors and authorised for issue on 19 December 2012, and are signed on their behalf by



MR P N WARD  
Director

Company Registration Number 3088344

The notes on pages 10 to 21 form part of these accounts

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2012**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

On the basis of their assessment of the company's financial position and of its forecast future performance, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### **Cash flow statement**

As permitted by FRS 1 (revised 1996) - 'Cash Flow Statements', the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts

#### **Related party transactions**

The company has taken advantage of the exemption to FRS 8 from disclosing transactions with related parties that are subsidiaries of Carclo plc

#### **Turnover**

Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or if there is continuing managerial involvement with the goods

With regards to sub contract tooling contracts, the company uses the "percentage of completion method" to determine the appropriate amount of revenue to be recognised in a given period when the outcome can be estimated reliably. Costs incurred to date as a percentage of total cost of completion represent the "percentage cost of completion". Costs on such tooling contracts are recognised when incurred, unless they create an asset related to future activity on the contract. When it is probable that the total costs of a contract will exceed the total revenue, then the loss is recognised as an expense immediately

#### **Research and development**

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed. Any such carried forward development expenditure is amortised in line with future sales from the date when such sales commence

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

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### 1. ACCOUNTING POLICIES *(continued)*

#### Goodwill

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to their net assets, is amortised through the profit and loss account by equal instalments over its estimated useful life of up to a maximum of 20 years. Provision is made for any impairment.

#### Amortisation

Amortisation 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:

Goodwill	- 5%
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#### Fixed assets

Tangible fixed assets are shown at cost.

#### Depreciation

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

Freehold Buildings	- 2%
Leasehold Property	- 12.5%
Plant & Machinery	- 10 - 33%
Motor Vehicles	- 25%

Provision is made for any impairment.

#### Stocks

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overhead expenses.

#### 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.

# **CARCLO TECHNICAL PLASTICS LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 MARCH 2012**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **Hire purchase and leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

#### **Pensions**

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **Taxation**

Current 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 taxation is recognised on a liability or asset if the transactions or events that give rise to an obligation to pay more tax in the future or a right to pay less tax in future have occurred by the balance sheet date. 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 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 substantially enacted at the balance sheet date.

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

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### 1. ACCOUNTING POLICIES *(continued)*

#### Foreign currencies

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end, except where they are covered by forward contracts in which case the rate appropriate to the forward contracts is used.

#### Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the accounts.

#### Grants

Government and other similar grants are credited to a deferred income account and are recognised in the profit and loss account so as to match them with the expenditure to which they are intended to contribute.

### 2. TURNOVER

Turnover is attributable to one continuing activity, the manufacture of moulded plastic components.

An analysis of turnover is given below:

	2012	2011
	£	£
United Kingdom	7,366,826	9,015,581
Rest of Europe	11,613,674	10,353,862
Rest of world	5,559,545	4,564,706
	<u>24,540,045</u>	<u>23,934,149</u>

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

### 3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is arrived at as follows

	2012 £	2011 £
Turnover	24,540,045	23,934,149
Finished goods and work in progress stock change	(141,068)	649,019
Raw materials and consumables	(8,832,828)	(8,855,918)
Employee costs (note 4)	(8,559,929)	(8,494,893)
Depreciation - owned assets (note 9)	(1,203,321)	(1,020,832)
Goodwill amortisation (note 8)	(260,044)	(260,044)
Rationalisation costs	(428,791)	(214,361)
Government grant released	15,833	—
Operating lease rentals - plant and machinery	(120,592)	(144,886)
Operating lease rentals - property	(245,421)	(226,983)
Auditor remuneration - audit work	(20,200)	(20,400)
Management charge	(870,725)	(620,000)
Other operating charges	(4,685,744)	(4,333,713)
	<u>(812,785)</u>	<u>391,138</u>

The rationalisation costs of £428,791 in the current year comprised redundancy costs £286,350 and property costs relating to a vacant site £142,441. Prior year rationalisation costs of £214,361 related to business reorganisation.

### 4. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 277 (2011 - 281).

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	7,529,258	7,540,069
Social security costs	794,212	707,993
Other pension costs	236,459	246,831
	<u>8,559,929</u>	<u>8,494,893</u>

In addition redundancy payments of £286,350 were made in the year which are excluded from the analysis above.



# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

### 5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	<u>149,276</u>	<u>57,203</u>

Mr R J Brooksbank and Mr I Williamson were also directors of the holding company and fellow subsidiary undertakings and Mr E Cook was also a director of fellow subsidiary undertakings. These directors received remuneration of £498,795 (2011 - £759,332), all of which was paid by the holding company. The directors do not believe that it is practicable to apportion this amount between their service as directors of the holding company and the fellow subsidiary undertakings. In addition Mr R J Brooksbank and Mr I Williamson received 118,000 shares in the holding company on the vesting of the PSP 2008 award (2011 - nil shares). The market price of the company's ordinary shares at the date of the vesting was 303p.

### 6. NET INTEREST PAYABLE

	2012 £	2011 £
Interest payable on bank borrowing	<u>78,963</u>	<u>94,352</u>

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of credit in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2011 - 28%)	175,531	281,403
Adjustment in respect of prior years	<u>(75,590)</u>	<u>(59,296)</u>
Total current tax charge	<u>99,941</u>	<u>222,107</u>
Deferred tax		
Origination and reversal of timing differences	(292,338)	(72,286)
Effect of decreased tax rate	<u>161,876</u>	<u>127,990</u>
	<u>(130,462)</u>	<u>55,704</u>
Adjustment in respect of previous years		
Deferred tax	<u>(30,010)</u>	<u>(296,245)</u>
Total deferred tax (note 12)	<u>(160,472)</u>	<u>(240,541)</u>
Tax on (loss)/profit on ordinary activities	<u>(60,531)</u>	<u>(18,434)</u>

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

### 7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax credit

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

The reasons are as follows

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	<u>(891,748)</u>	<u>296,786</u>
(Loss)/profit on ordinary activities by rate of tax	(231,854)	83,100
Capital allowances in excess of depreciation	312,867	275,100
Permanent differences	73,988	76,732
Prior year adjustment	(75,590)	(59,296)
Short term timing differences	20,530	-
Utilisation of prior year losses	-	(153,529)
Total current tax charge (note 7(a))	<u>99,941</u>	<u>222,107</u>

### 8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 April 2011 and 31 March 2012	<u>5,200,870</u>
<b>AMORTISATION</b>	
At 1 April 2011	1,040,176
Charge for the year	<u>260,044</u>
At 31 March 2012	<u>1,300,220</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>3,900,650</u>
At 31 March 2011	<u>4,160,694</u>

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

### 9. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Short Leasehold Land & Buildings £	Plant & Machinery £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 April 2011	3,871,662	94,569	20,096,587	27,020	24,089,838
Additions	15,108	–	1,422,998	–	1,438,106
Disposals	–	–	(452,290)	–	(452,290)
Transfers	–	–	197,527	–	197,527
<b>At 31 March 2012</b>	<b>3,886,770</b>	<b>94,569</b>	<b>21,264,822</b>	<b>27,020</b>	<b>25,273,181</b>
<b>DEPRECIATION</b>					
At 1 April 2011	714,336	80,336	15,148,281	18,576	15,961,529
Charge for the year	67,614	11,821	1,117,131	6,755	1,203,321
On disposals	–	–	(447,058)	–	(447,058)
<b>At 31 March 2012</b>	<b>781,950</b>	<b>92,157</b>	<b>15,818,354</b>	<b>25,331</b>	<b>16,717,792</b>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2012</b>	<b>3,104,820</b>	<b>2,412</b>	<b>5,446,468</b>	<b>1,689</b>	<b>8,555,389</b>
At 31 March 2011	3,157,326	14,233	4,948,306	8,444	8,128,309

### 10. STOCKS

	2012 £	2011 £
Raw materials	910,107	1,253,722
Work in progress	89,112	129,235
Finished goods	2,039,676	2,018,023
	<b>3,038,895</b>	<b>3,400,980</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

### 11. DEBTORS

Due within one year

	2012 £	2011 £
Trade debtors	2,966,887	3,317,495
Amounts owed by group undertakings	592,443	1,107,288
Other debtors	424,188	634,916
Prepayments and accrued income	367,855	313,920
Deferred taxation (note 12)	1,939,865	1,779,393
	<u>6,291,238</u>	<u>7,153,012</u>

Due after more than one year

	2012 £	2011 £
Amounts owed by group undertakings	<u>—</u>	<u>387,040</u>

Amounts owed by group undertakings are non interest bearing, unsecured and have no fixed payment date

### 12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 11)	<u>1,939,865</u>	<u>1,779,393</u>

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	1,779,393	1,538,852
Profit and loss account movement arising during the year	160,472	240,541
Balance carried forward	<u>1,939,865</u>	<u>1,779,393</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of depreciation over taxation allowances	<u>1,939,865</u>	<u>1,779,393</u>
	<u>1,939,865</u>	<u>1,779,393</u>

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

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### 12. DEFERRED TAXATION *(continued)*

On the basis of their assessment of the company's forecast future performance and of its historical profitability, the directors have a reasonable expectation that the company will generate sufficient, suitable taxable profits against which the deferred tax assets can be recovered

On 21 March 2012 the Chancellor announced the reduction in the main rate of UK corporation tax to 24 per cent with effect from 1 April 2012. This change became substantively enacted on 26 March 2012 and therefore the effect of the tax rate reduction creates a reduction in the deferred asset which has been included in the figures above

The reduction in the main rate of UK corporation tax to 23 per cent with effect from 1 April 2013 was substantively enacted after the balance sheet date on 3 July 2012 and therefore the further reduction in the deferred tax asset has not been included in the figures above

It has not been possible to quantify the full anticipated effect of the announced rate reductions, although it will further reduce the deferred tax asset accordingly

### 13. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Overdrafts	1,969,509	2,074,108
Trade creditors	1,667,832	2,912,297
Amounts owed to group undertakings	–	35,228
Corporation tax	175,531	281,403
Other taxation and social security	17,279	290,789
Other creditors	394,063	190,205
Accruals and deferred income	576,104	601,150
	<u>4,800,318</u>	<u>6,385,180</u>

The bank overdraft facility is secured by way of a fixed charge over the freehold land and buildings and floating charges over other assets of the company. Interest is payable at the floating rate of LIBOR + 2%.

Amounts owed to group undertakings are non interest bearing, unsecured and have no fixed payment date.

### 14. CREDITORS: Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	<u>11,218,663</u>	<u>11,195,234</u>

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

### 15. PENSIONS

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Full details of the financial assumptions used to assess the scheme's assets and liabilities can be found in the accounts of Carclo plc. During the year ended 31 March 2011 the company elected to cease future accrual for existing members of the defined benefit scheme and members transferred to the defined contribution scheme.

The company is also a member of a defined contribution pension scheme operated by Carclo plc. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £236,459 (2011 - £246,831). Contributions amounting to £14,906 (2011 - £2,062) were payable to the scheme at the year end and are included in creditors.

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below:

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	43,478	-	7,873
Within 2 to 5 years	238,902	41,887	238,638	65,797
	<u>238,902</u>	<u>85,365</u>	<u>238,638</u>	<u>73,670</u>

### 17. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of certain bank overdrafts of other Carclo plc subsidiary undertakings. At 31 March 2012 the overdraft facilities amounted to £10,500,000 (2011 - £10,500,000) of which £3,813,000 (2011 - £5,417,000) had been utilised.

The company has also provided an upstream guarantee to the parent company, Carclo plc, in respect of certain bank loan and overdraft facilities. At 31 March 2012 the total bank facilities available to the parent company amounted to £20,000,000 (2011 - £20,000,000) of which £19,135,000 (2011 - £19,002,000) had been utilised.

There is a floating charge over the company's assets in respect of the above guarantees.

# CARCLO TECHNICAL PLASTICS LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2012

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### 18. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
1,000,001 Ordinary shares of £1 each	<u>1,000,001</u>	<u>1,000,001</u>	<u>1,000,001</u>	<u>1,000,001</u>

### 19. RESERVES

	Profit and loss account £
Balance brought forward	5,703,965
Loss for the year	<u>(831,217)</u>
Balance carried forward	<u>4,872,748</u>

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
(Loss)/Profit for the financial year	(831,217)	315,220
Opening shareholders' funds	<u>6,703,966</u>	<u>6,388,746</u>
Closing shareholders' funds	<u>5,872,749</u>	<u>6,703,966</u>

### 21. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £265,286 (2011 - £949,255)

### 22. ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Springstone House, 27 Dewsbury Road, Ossett, WF5 9WS