

COMPANY REGISTRATION NUMBER 3088344

CARCLO TECHNICAL PLASTICS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 2013

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CARCLO TECHNICAL PLASTICS LIMITED

ACCOUNTS

YEAR ENDED 31 MARCH 2013

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CARCLO TECHNICAL PLASTICS LIMITED

COMPANY INFORMATION

The board of directors

Mr P N Ward
Mr R J Brooksbank
Mr E Cook
Mr C J Malley

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 2013

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2013

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 £23,317,157 (2012 - £24,540,045) Operating profit before rationalisation costs and amortisation was £343,651 (2012 - £123,950 loss)

Despite the investment in additional selling resources, our UK facilities were not utilised at a high enough level, in part reflecting the long gestation period of new projects

FUTURE DEVELOPMENTS

The pipeline of new enquiries both in medical devices as well as our other niche area of coated mouldings looks strong and we are optimistic that we can return the business to growth

RESULTS AND DIVIDENDS

The profit for the year amounted to £1,676 (2012 £831,217 loss) The directors have not recommended a dividend (2012 £nil)

CARCLO TECHNICAL PLASTICS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

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 uncertainty over the global economic recovery remains and this continues to promote volatility and insecurity for both the industries and customers served by the company which continues to enhance the risk profile for the business.

However the company serves a number of markets, such as medical, which have as yet remained mostly detached from general consumer activity and as such have, to date, been comparatively unaffected by the low global demand. However should these markets be impacted then Carclo has a proven track record of acting swiftly to rebalance 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. Oil prices have increased from \$83 dollars per barrel at 1 April 2010 to \$108 dollars per barrel at 31 March 2013. 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. Energy costs in the UK have remained relatively stable in recent years following their volatility in the latter part of the last decade. 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. This is done in consultation with independent energy consultants.

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.

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 C J Malley (Appointed 27 March 2013)

Mr I Williamson (Resigned 27 March 2013)

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.

CARCLO TECHNICAL PLASTICS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy to abide by the terms of payment agreed with suppliers in respect of all goods and services properly invoiced to the company and group. The terms may be the suppliers' standard terms or such other agreed terms for specific transactions as appropriate. No code or standard is followed.

At 31 March 2013 the company had an average of 46 (31 March 2012 - 52) 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.

AUDITOR

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The board has decided to put KPMG LLP forward to be appointed as auditors and a resolution concerning their appointment will be put to the members at the annual general meeting.

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 12 December 2013

CARCLO TECHNICAL PLASTICS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2013

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 year.

In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

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

YEAR ENDED 31 MARCH 2013

We have audited the accounts of Carclo Technical Plastics Limited for the year ended 31 March 2013 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE ACCOUNTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit 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.

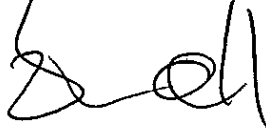
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARCLO
TECHNICAL PLASTICS LIMITED (continued)**

YEAR ENDED 31 MARCH 2013

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

12 December 2013

CARCLO TECHNICAL PLASTICS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
TURNOVER	2	23,317,157	24,540,045
OPERATING PROFIT/(LOSS)	3	6,346	(812,785)
Net interest payable	6	(87,097)	(78,963)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(80,751)	(891,748)
Tax on loss on ordinary activities	7	82,427	60,531
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,676	(831,217)

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

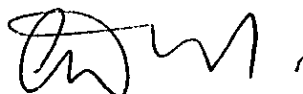
CARCLO TECHNICAL PLASTICS LIMITED

BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	8	3,640,606	3,900,650
Tangible assets	9	8,359,727	8,555,389
		<u>12,000,333</u>	<u>12,456,039</u>
CURRENT ASSETS			
Stocks	10	3,332,168	3,038,895
Debtors	11	7,612,184	6,291,238
Cash in hand		127,595	105,558
		<u>11,071,947</u>	<u>9,435,691</u>
CREDITORS: Amounts falling due within one year	13	<u>(5,979,192)</u>	<u>(4,800,318)</u>
NET CURRENT ASSETS		<u>5,092,755</u>	<u>4,635,373</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,093,088</u>	<u>17,091,412</u>
CREDITORS: Amounts falling due after more than one year	14	<u>(11,218,663)</u>	<u>(11,218,663)</u>
NET ASSETS		<u>5,874,425</u>	<u>5,872,749</u>
CAPITAL AND RESERVES			
Called-up share capital	18	1,000,001	1,000,001
Profit and loss account	19	4,874,424	4,872,748
SHAREHOLDERS' FUNDS	20	<u>5,874,425</u>	<u>5,872,749</u>

These accounts were approved by the directors and authorised for issue on 12 December 2013, 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 2013

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 from the date upon which it becomes available for use over a period of up to 12 years

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

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 2013

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 2013

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:

	2013 £	2012 £
United Kingdom	5,904,233	7,366,826
Sales - Rest of Europe	11,081,060	11,613,674
Sales - Rest of world	6,331,864	5,559,545
	<u>23,317,157</u>	<u>24,540,045</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

3. OPERATING PROFIT/(LOSS)

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

	2013 £	2012 £
Turnover	23,317,157	24,540,045
Finished goods and work in progress stock change	391,980	(141,068)
Raw materials and consumables	(8,523,114)	(8,832,828)
Employee costs (note 4)	(8,392,303)	(8,559,929)
Depreciation - owned assets (note 9)	(1,218,226)	(1,203,321)
Goodwill amortisation (note 8)	(260,044)	(260,044)
Rationalisation costs	(77,261)	(428,791)
Government grant released	10,000	15,833
Operating lease rentals - plant and machinery	(134,344)	(120,592)
Operating lease rentals - property	(178,870)	(245,421)
Auditor remuneration - audit work	(24,000)	(20,200)
Management charge	(314,785)	(870,725)
Other operating charges	(4,589,844)	(4,685,744)
	<u>6,346</u>	<u>(812,785)</u>

The rationalisation costs of £77,261 in the current year comprised redundancy costs £76,034 and business reorganisation £1,227. Prior year rationalisation costs of £428,791 comprised redundancy costs £286,350 and property costs relating to a vacant site £142,441.

4. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 276 (2012 - 277)

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	7,416,795	7,529,258
Social security costs	750,362	794,212
Other pension costs	225,146	236,459
	<u>8,392,303</u>	<u>8,559,929</u>

In addition redundancy payments of £77,261 were made in the year which are excluded from the analysis above

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£	£
Remuneration receivable	<u>183,189</u>	<u>149,276</u>

Mr R J Brooksbank, Mr C J Malley 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. During their tenure as directors of the company these directors received remuneration of £449,567 (2012 - £502,175), all of which was paid by the holding company. In addition Mr R J Brooksbank, Mr E Cook and Mr I Williamson received 146,200 shares in the holding company on the vesting of the PSP 2009 award (2012 - 101,000 shares). The market price of the company's ordinary shares at the date of the vesting was 450p. 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.

6. NET INTEREST PAYABLE

	2013	2012
	£	£
Interest payable on bank borrowing	<u>87,097</u>	<u>78,963</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of credit in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	198,118	175,531
Adjustment in respect of prior years	(93,901)	(75,590)
Total current tax charge	104,217	99,941
Deferred tax		
Origination and reversal of timing differences	(296,720)	(292,338)
Effect of decreased tax rate	92,457	161,876
	(204,263)	(130,462)
Adjustment in respect of previous years		
Deferred tax	17,619	(30,010)
Total deferred tax (note 12)	(186,644)	(160,472)
Tax on loss on ordinary activities	(82,427)	(60,531)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

The reasons are as follows

	2013 £	2012 £
Loss on ordinary activities before taxation	(80,751)	(891,748)
Loss on ordinary activities by rate of tax	(19,380)	(231,854)
Capital allowances in excess of depreciation	292,375	312,867
Permanent differences	(95,780)	73,988
Prior year adjustment	(93,901)	(75,590)
Short term timing differences	20,903	20,530
Total current tax (note 7(a))	104,217	99,941

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2012 and 31 March 2013	<u>5,200,870</u>
AMORTISATION	
At 1 April 2012	1,300,220
Charge for the year	<u>260,044</u>
At 31 March 2013	<u>1,560,264</u>
NET BOOK VALUE	
At 31 March 2013	<u>3,640,606</u>
At 31 March 2012	<u>3,900,650</u>

9. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Short Leasehold Land & Buildings £	Plant & Machinery £	Motor Vehicles £	Total £
COST					
At 1 April 2012	3,886,770	94,569	21,264,822	27,020	25,273,181
Additions	–	101,219	921,345	–	1,022,564
Disposals	–	–	(8,200,175)	–	(8,200,175)
At 31 March 2013	<u>3,886,770</u>	<u>195,788</u>	<u>13,985,992</u>	<u>27,020</u>	<u>18,095,570</u>
DEPRECIATION					
At 1 April 2012	781,950	92,157	15,818,354	25,331	16,717,792
Charge for the year	67,753	5,311	1,143,473	1,689	1,218,226
On disposals	–	–	(8,200,175)	–	(8,200,175)
At 31 March 2013	<u>849,703</u>	<u>97,468</u>	<u>8,761,652</u>	<u>27,020</u>	<u>9,735,843</u>
NET BOOK VALUE					
At 31 March 2013	<u>3,037,067</u>	<u>98,320</u>	<u>5,224,340</u>	–	<u>8,359,727</u>
At 31 March 2012	<u>3,104,820</u>	<u>2,412</u>	<u>5,446,468</u>	1,689	<u>8,555,389</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

10. STOCKS

	2013	2012
	£	£
Raw materials	894,997	910,107
Work in progress	103,944	89,112
Finished goods	2,333,227	2,039,676
	<u>3,332,168</u>	<u>3,038,895</u>

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

11. DEBTORS

Due within one year

	2013	2012
	£	£
Trade debtors	3,241,932	2,966,887
Amounts owed by group undertakings	1,085,388	592,443
Other debtors	961,087	424,188
Prepayments and accrued income	197,268	367,855
Deferred taxation (note 12)	2,126,509	1,939,865
	<u>7,612,184</u>	<u>6,291,238</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

	2013	2012
	£	£
Included in debtors (note 11)	<u>2,126,509</u>	<u>1,939,865</u>

The movement in the deferred taxation account during the year was

	2013	2012
	£	£
Balance brought forward	1,939,865	1,779,393
Profit and loss account movement arising during the year	186,644	160,472
Balance carried forward	<u>2,126,509</u>	<u>1,939,865</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

12. DEFERRED TAXATION *(continued)*

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

	2013 £	2012 £
Excess of depreciation over taxation allowances	2,126,509	1,939,865
	<u>2,126,509</u>	<u>1,939,865</u>

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

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 31 March 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement.

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's deferred tax asset accordingly.

13. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Overdrafts	1,832,736	1,969,509
Trade creditors	1,912,879	1,667,832
Amounts owed to group undertakings	801,397	–
Corporation tax	198,119	175,531
Other taxation and social security	269,145	17,279
Other creditors	308,250	394,063
Accruals and deferred income	656,666	576,104
	<u>5,979,192</u>	<u>4,800,318</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 + 1.7%.

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

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

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

	2013 £	2012 £
Amounts owed to group undertakings	<u>11,218,663</u>	<u>11,218,663</u>

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 £225,146 (2012 - £236,459). Contributions amounting to £16,701 (2012 - £14,906) were payable to the scheme at the year end and are included in creditors.

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	2013		2012	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	15,195	-	43,478
Within 2 to 5 years	146,425	64,442	238,902	41,887
After more than 5 years	163,950	18,788	-	-
	<u>310,375</u>	<u>98,425</u>	<u>238,902</u>	<u>85,365</u>

CARCLO TECHNICAL PLASTICS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2013

17. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of certain bank overdrafts of other Carclo plc subsidiary undertakings. At 31 March 2013 the overdraft facilities amounted to £10,500,000 (2012 - £10,500,000) of which £nil (2012 - £3,813,000) 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 2013 the total bank facilities available to the parent company amounted to £20,000,000 (2012 - £20,000,000) of which £18,308,000 (2012 - £19,135,000) had been utilised.

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

18. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	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	4,872,748
Profit for the year	<u>1,676</u>
Balance carried forward	<u>4,874,424</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit/(Loss) for the financial year	1,676	(831,217)
Opening shareholders' funds	<u>5,872,749</u>	<u>6,703,966</u>
Closing shareholders' funds	<u>5,874,425</u>	<u>5,872,749</u>

21. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £112,000 (2012 - £265,286).

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.
