

REGISTERED NUMBER: 04376581 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2015

FOR

VANNPLASTIC LIMITED

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VANNPLASTIC LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2015

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VANNPLASTIC LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2015

DIRECTORS:

J A Bednall
C A Empson
S P Hanrahan

SECRETARY:

Epwin Secretaries Limited

REGISTERED OFFICE:

1b Stratford Court
Cranmore Boulevard
Solihull
West Midlands
B90 4QT

REGISTERED NUMBER:

04376581

AUDITORS:

M. D. Coxey and Co. Limited
Chartered Accountants
and Statutory Auditors
25 Grosvenor Road
Wrexham
LL11 1BT

VANNPLASTIC LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2015

The directors present their strategic report for the year ended 31st December 2015.

REVIEW OF BUSINESS

The company performed within the parameters set by the directors and management team. During the year, the company became a 100% subsidiary of Epwin Group Plc. On the 31 December 2015 the company transferred its trade and assets to Specialist Building Products Limited, a fellow subsidiary of Epwin Group Plc.

KEY PERFORMANCE INDICATORS

The Directors consider that the key performance indicators fall into two discreet areas:

Financial:

Sales, gross profit and overhead levels are considered essential measurements and these are monitored on a regular basis.

Non-financial:

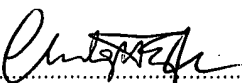
Customer satisfaction and product quality are considered essential non-quantitative measures and these are regularly monitored.

PRINCIPAL RISKS AND UNCERTAINTIES

The majority of customers are from the trade construction industry therefore the state of the housing market has an impact on trade.

On 23 June 2016, following a referendum, the UK voted to leave the EU. The Board considers that it is too early to predict the impact on the Company. It is possible that the vote to leave may impact both market and consumer confidence in the short term which could affect demand for the Company's products, impact prices and exchange rate movements.

ON BEHALF OF THE BOARD:



C A Empson - Director

Date: 26th August 2016

VANNPLASTIC LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2015

The directors present their report with the financial statements of the company for the year ended 31st December 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production and sale of plastic wood extrusion products. On the 31 December 2015 the trade and assets of the company were transferred to Specialist Building Products Limited, a fellow subsidiary of Epwin Group Plc.

DIVIDENDS

The total distribution of dividends for the year ended 31st December 2015 will be £777,656.

FUTURE DEVELOPMENTS

The future developments outlined for the business are the maintenance of the high standard of its product and pursuing sustainable growth.

DIRECTORS

J M Angove - resigned 30.10.15
A Collins - resigned 30.10.15
W H Midwood - resigned 30.10.15
J A Bednall - appointed 30.10.15
C A Empson - appointed 30.10.15
S P Hanrahan - appointed 30.10.15

The directors shown below were in office at 31st December 2015 but did not hold any interest in the Ordinary shares of £1 each at date of appointment or 31st December 2015.

J A Bednall
C A Empson
S P Hanrahan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

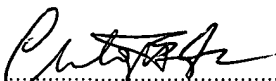
VANNPLASTIC LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2015

AUDITORS

The auditors, M. D. Coxey and Co. Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C A Empson - Director

Date: 26th August 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VANNPLASTIC LIMITED

We have audited the financial statements of Vannplastic Limited for the year ended 31st December 2015 on pages seven to twenty. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 *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 Strategic Report and the Report of the Directors 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 31st December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VANNPLASTIC LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mr Peter McVeigh (Senior Statutory Auditor)
for and on behalf of M. D. Coxey and Co. Limited
Chartered Accountants
and Statutory Auditors
25 Grosvenor Road
Wrexham
LL11 1BT

Date: 26th August 2016

VANNPLASTIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
REVENUE		5,119,273	4,091,837
Cost of sales		<u>3,320,227</u>	<u>2,709,204</u>
GROSS PROFIT		1,799,046	1,382,633
Administrative expenses		<u>981,841</u>	<u>834,776</u>
		817,205	547,857
Other operating income		<u>80,800</u>	<u>50,415</u>
OPERATING PROFIT		898,005	598,272
Interest receivable and similar income		<u>1,604</u>	<u>618</u>
		899,609	598,890
Interest payable and similar expenses	3	<u>21,215</u>	<u>27,069</u>
PROFIT BEFORE TAXATION	4	878,394	571,821
Tax on profit	5	<u>159,720</u>	<u>67,834</u>
PROFIT FOR THE FINANCIAL YEAR		718,674	503,987
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>718,674</u></u>	<u><u>503,987</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2015

	Notes	31.12.15 £	31.12.14 £
NON-CURRENT ASSETS			
Intangible assets	7	-	-
Property, plant and equipment	8	-	1,052,166
		-	1,052,166
CURRENT ASSETS			
Inventories	9	-	266,081
Trade and other receivables	10	1,027,378	493,151
Cash and cash equivalents		-	459,419
		1,027,378	1,218,651
CURRENT LIABILITIES			
Other interest bearing loans and borrowings	13	-	(103,077)
Trade and other payables	11	-	(742,860)
Income tax payable		-	(26,594)
		-	-
NET CURRENT ASSETS		1,027,378	346,120
TOTAL ASSETS LESS CURRENT LIABILITIES		1,027,378	1,398,286
NON-CURRENT LIABILITIES	12		
Other interest bearing loans and borrowings		-	(169,079)
PROVISIONS FOR DEFERRED TAX	16	-	(128,548)
ACCRUALS AND DEFERRED INCOME	17	-	(14,299)
NET ASSETS		1,027,378	1,086,360
EQUITY			
Called up share capital	18	32,500	32,500
Share premium	19	112,500	112,500
Retained earnings	19	882,378	941,360
TOTAL SHAREHOLDERS' EQUITY		1,027,378	1,086,360

The financial statements were approved by the Board of Directors on 26th August 2016 and were signed on its behalf by:


C A Empson - Director

VANNPLASTIC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Called up share capital £	Share premium £	Retained earnings £	Total equity £
Balance at 1st January 2014	32,500	112,500	508,548	653,548
Changes in equity				
Dividends	-	-	(71,175)	(71,175)
Total comprehensive income	-	-	503,987	503,987
Balance at 31st December 2014	<u>32,500</u>	<u>112,500</u>	<u>941,360</u>	<u>1,086,360</u>
Changes in equity				
Dividends	-	-	(777,656)	(777,656)
Total comprehensive income	-	-	718,674	718,674
Balance at 31st December 2015	<u>32,500</u>	<u>112,500</u>	<u>882,378</u>	<u>1,027,378</u>

The notes form part of these financial statements

VANNPLASTIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

Vannplastic Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements have been prepared for the first time in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 23.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of the ultimate parent company, Epwin Group Plc, include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- IFRS 7: Financial Instruments: Disclosures
- IFRS 8 : Operating segments
- IAS 36: Impairment of assets

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Going Concern

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the business review on page 2.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. **ACCOUNTING POLICIES - continued**

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Plant and machinery	3-10 years
Fixtures and fittings	2-4 years
Office equipment	2-4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. ACCOUNTING POLICIES - continued

Classification of financial instruments issued by the company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy.

Financial instruments

Financial Assets

The Company's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are recognised when the Company becomes party to the contractual provisions of the instrument.

i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows, and is recognised in the income statement in administrative expenses.

ii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

Financial Liabilities

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

The Company's financial liabilities comprise trade and other payables and borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

i) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial expenses comprise interest expense on borrowings.

ii) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. **ACCOUNTING POLICIES - continued**

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised.

Foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of the Company at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2015

1. ACCOUNTING POLICIES - continued

Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

Government grants

Grants received in respect of capital expenditure are released to profit and loss over the anticipated useful lives of the assets concerned which are as shown in the policy above.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Revenue recognition

Revenue comprises the fair value of goods sold to external customers, net of value added tax, discounts, rebates, VAT and other sales taxes or duty. Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of the goods have passed to the customer and the amount of revenue can be measured reliably, usually on the dispatch of goods.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. **ACCOUNTING POLICIES - continued**

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financial income and expense

Financial expenses comprise interest payable and the unwinding of the discount on provisions. Financial income comprises interest receivable on funds invested.

Interest income and interest payable are recognised in the income statement as they accrue, using the effective interest method.

2. **EMPLOYEES AND DIRECTORS**

	31.12.15	31.12.14
	£	£
Wages and salaries	<u>890,801</u>	<u>661,949</u>

The average monthly number of employees during the year was as follows:

	31.12.15	31.12.14
Directors	2	2
Office	7	6
Factory	<u>24</u>	<u>19</u>
	<u>33</u>	<u>27</u>

	31.12.15	31.12.14
	£	£
Directors' remuneration	<u>40,211</u>	<u>65,332</u>

3. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.15	31.12.14
	£	£
Bank interest	-	3
Interest on other loans	920	2,873
Interest paid to Investors	3,600	7,498
Hire purchase	<u>16,695</u>	<u>16,695</u>
	<u>21,215</u>	<u>27,069</u>

4. **PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging/(crediting):

	31.12.15	31.12.14
	£	£
Cost of inventories recognised as expense	3,320,227	2,709,204
Plant & machinery leasing charges	114,313	147,831
Depreciation - owned assets	160,264	128,601
Depreciation - assets on hire purchase contracts	70,088	67,539
Loss/(profit) on disposal of fixed assets	512	(3,327)
Development expenses amortisation	-	9,000
Auditors' remuneration	5,300	3,300
Foreign exchange differences	<u>(246)</u>	<u>-</u>

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

5. TAXATION

Analysis of tax expense

	31.12.15 £	31.12.14 £
Current tax:		
Corporation tax	135,268	26,594
Deferred tax	<u>24,452</u>	<u>41,240</u>
Total tax expense in statement of comprehensive income	<u>159,720</u>	<u>67,834</u>

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15 £	31.12.14 £
Profit before income tax	<u>878,394</u>	<u>571,821</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 20%)	177,875	114,364
Effects of:		
Expenses not deductible for tax purposes	4,244	5,148
Income not taxable for tax purposes	-	(918)
Tax rate change	(9,141)	5,671
Group relief not paid for	(13,258)	-
Enhanced expenditure	<u>-</u>	<u>(56,431)</u>
Tax expense	<u>159,720</u>	<u>67,834</u>

Factors that may affect future current and total tax charges

The main rate of corporation tax was lowered from 21% to 20% with effect from 1 April 2015. Further reductions to 19% from 1 April 2017 and to 18% from 1 April 2020 were enacted during 2016. In the March 2016 Budget, it was announced that the reduction from 1 April 2020 will be to 17% (instead of 18%) and it is anticipated that this will be enacted during 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax assets at 31 December 2015 have been calculated based on the rate of 19% substantively enacted at the balance sheet date (31 December 2014: 20%).

6. DIVIDENDS

	31.12.15 £	31.12.14 £
Interim	<u>777,656</u>	<u>71,175</u>

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

7. **INTANGIBLE FIXED ASSETS**

	Development expenses £
COST	
At 1st January 2015	90,000
Reclassification/transfer	<u>(90,000)</u>
At 31st December 2015	-
AMORTISATION	
At 1st January 2015	90,000
Reclassification/transfer	<u>(90,000)</u>
At 31st December 2015	-
NET BOOK VALUE	
At 31st December 2015	<u>-</u>
At 31st December 2014	<u>-</u>

Other intangible assets comprise Research and Development costs.

8. **PROPERTY, PLANT AND EQUIPMENT**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1st January 2015	1,785,773	51,697	65,356	1,902,826
Additions	289,282	13,769	19,499	322,550
Disposals	(6,500)	-	-	(6,500)
Reclassification/transfer	<u>(2,068,555)</u>	<u>(65,466)</u>	<u>(84,855)</u>	<u>(2,218,876)</u>
At 31st December 2015	-	-	-	-
DEPRECIATION				
At 1st January 2015	774,205	47,138	29,317	850,660
Charge for year	206,510	5,860	17,982	230,352
Eliminated on disposal	(3,488)	-	-	(3,488)
Reclassification/transfer	<u>(977,227)</u>	<u>(52,998)</u>	<u>(47,299)</u>	<u>(1,077,524)</u>
At 31st December 2015	-	-	-	-
NET BOOK VALUE				
At 31st December 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st December 2014	<u>1,011,568</u>	<u>4,559</u>	<u>36,039</u>	<u>1,052,166</u>

The net book value of property, plant and equipment includes £0 (2014 - £405,019) in respect of assets held under hire purchase contracts.

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

9. **INVENTORIES**

	31.12.15	31.12.14
	£	£
Inventory	<u>-</u>	<u>266,081</u>

10. **TRADE AND OTHER RECEIVABLES**

	31.12.15	31.12.14
	£	£
Trade receivables	-	438,723
Amounts owed by group undertakings	1,027,378	-
Other receivables	-	1,421
Prepayments and accrued income	<u>-</u>	<u>53,007</u>
	<u>1,027,378</u>	<u>493,151</u>

11. **TRADE AND OTHER PAYABLES**

	31.12.15	31.12.14
	£	£
Trade payables	-	552,058
Social security and other taxes	-	31,515
VAT	-	55,408
Other payables	-	47,471
Accruals and deferred income	<u>-</u>	<u>56,408</u>
	<u>-</u>	<u>742,860</u>

12. **NON-CURRENT LIABILITIES**

	31.12.15	31.12.14
	£	£
Other loans (see note 13)	-	75,000
Hire purchase contracts (see note 13)	<u>-</u>	<u>94,079</u>
	<u>-</u>	<u>169,079</u>

13. **FINANCIAL LIABILITIES - BORROWINGS**

	31.12.15	31.12.14
	£	£
Current:		
Bank loans	-	23,410
Hire purchase (see note 14)	<u>-</u>	<u>79,667</u>
	<u>-</u>	<u>103,077</u>

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

13. **FINANCIAL LIABILITIES - BORROWINGS - continued**

	31.12.15 £	31.12.14 £
Non-current:		
Investors' loans	-	50,000
Investor - J Angove	-	25,000
Hire purchase (see note 14)	-	94,079
	<u>-</u>	<u>169,079</u>

14. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	31.12.15 £	31.12.14 £
Net obligations repayable:		
Within one year	-	79,667
Between one and five years	-	94,079
	<u>-</u>	<u>173,746</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.15 £	31.12.14 £
Bank loans	-	23,410
Hire purchase contracts	-	173,746
	<u>-</u>	<u>197,156</u>

16. **PROVISIONS FOR DEFERRED TAX**

	31.12.15 £	31.12.14 £
Deferred tax	<u>-</u>	<u>128,548</u>
		Deferred tax
		£
Balance at 1st January 2015		128,548
Movement in the year due to:		
Changes of taxation allowances		24,452
Transfer to group companies		<u>(153,000)</u>
Balance at 31st December 2015		<u>-</u>

VANNPLASTIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2015

17. ACCRUALS AND DEFERRED INCOME

	31.12.15	31.12.14
	£	£
Deferred government grants	<u>-</u>	<u>14,299</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.15	31.12.14
			£	£
32,500	Ordinary	£1	<u>32,500</u>	<u>32,500</u>

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st January 2015	941,360	112,500	1,053,860
Profit for the year	718,674	-	718,674
Dividends	<u>(777,656)</u>	<u>-</u>	<u>(777,656)</u>
At 31st December 2015	<u>882,378</u>	<u>112,500</u>	<u>994,878</u>

20. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Epwin Group Plc which is the ultimate parent company.

The largest group in which the results of the Company are consolidated is that headed by Epwin Group Plc incorporated in England and Wales. No other group financial statements include the results of the Company. The consolidated financial statements of Epwin Group Plc are available to the public and may be obtained from 1B Trafford Court, Cranmore Boulevard, Solihull, B90 4QT.

21. CONTINGENT LIABILITIES

The Company is party to the Group's cross guarantee banking arrangements in respect of the Group's term loan, which was £20,000,000 (2014: £nil) at the balance sheet date, the Group's revolving credit facility, which was £15,000,000 (2014: £nil) at the balance sheet date and the Group's overdraft facility, which was unutilised at the balance sheet date.

22. CAPITAL COMMITMENTS

	31.12.15	31.12.14
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>15,175</u>

23. TRANSITION TO FRS 101

This is the first year that the Company has presented its results under FRS 101. The last financial statements prepared under UK GAAP were for the period ended 31 December 2014. The date of transition to FRS 101 was 1 January 2014. There were no material adjustments on the transition to FRS 101 for the period 1 January 2014 to 31 December 2014.