

Registration number 06303883

Technopolymer Limited
Directors' report and consolidated financial statements
for the year ended 31 March 2013



Technopolymer Limited

Company information

Directors	J M Hopkinson A H Celik W J Stevens
Secretary	A J F Longbottom
Company number	06303883
Registered office	Rose Hill Mills Beech Road Sowerby Bridge HX6 2JT
Auditors	BM Howarth Ltd West House King Cross Road Halifax West Yorkshire HX1 1EB
Bankers	The Co-operative Bank Leeds Corporate Banking Centre 14 King Street Leeds LS1 2HL

Technopolymer Limited

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Technopolymer Limited

Directors' report for the year ended 31 March 2013

The directors present their report and the financial statements for the year ended 31 March 2013

Principal activity and review of the business

The principal activities of the company and its subsidiary undertakings ('the group'), continue to be the manufacture and supply of binders, elastomers and other polymeric products utilised in sports and safety surfacing, manufacturing, transportation and heavy industrial applications. The group continues to develop its strategy of market and product diversification underpinned by its globally acknowledged expertise with material science innovation.

The directors are satisfied with the results of the year given the prevailing market conditions, and expect to maintain profitability in the forthcoming year.

Despite difficult trading conditions, turnover of the group has increased by 2.0% over the previous year. Further details of turnover by geographical segment are given in note 2 of the accounts.

The group continues to build its market share through close focus on, and delivery of, customer requirements.

Results and dividends

The results for the year are set out on page 6.

The directors have paid an interim dividend amounting to £113,892 and they do not recommend payment of a final dividend.

Principle risks and uncertainties

Competition and threat to market share is a key risk to the group. The risk is alleviated by continuing to develop quality products at competitive prices and reacting efficiently to customer requirements.

The group is partly financed by bank loans, overdraft and invoice discounting facilities, so is exposed to interest rate fluctuations. Cashflow is carefully managed to minimise the risk and the level of facilities used.

Environmental policy

The group recognises the importance of its environmental responsibilities and attempts to minimise its impact on the environment, including safe disposal of waste, recycling and reducing energy consumption.

Payments of creditors

It is the group's policy to ensure that suppliers are aware of the company's terms of payment, and that these terms are agreed at the commencement of business with each supplier. Payments are made in accordance with the payment terms and conditions agreed.

Directors and their interests

The directors who served during the year and their respective interests in the company are stated below.

	Ordinary A shares 31/03/13	Ordinary A shares 01/04/12
J M Hopkinson	629,228	1,258,456
A H Celik	314,614	629,228
W J Stevens	153,471	306,941

Technopolymer Limited

Directors' report for the year ended 31 March 2013

Statement of directors' responsibilities

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

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

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

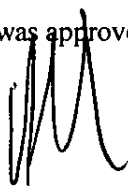
In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

BM Howarth Ltd are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 20 August 2013 and signed on its behalf by



**A H Cehk
Director**

Independent auditor's report to the shareholders of Technopolymer Limited

We have audited the financial statements of Technopolymer Limited for the year ended 31 March 2013 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement, the reconciliation of movements in shareholders' funds and the related notes. 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).

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the financial statements

- 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 United Kingdom 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.

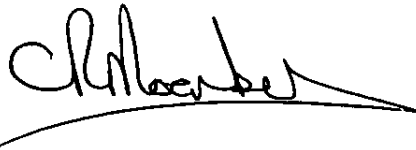
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
Technopolymer 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



**Charles R Moorby (senior statutory auditor)
For and on behalf of BM Howarth Ltd
Chartered Accountants and
Statutory Auditor
20 August 2013**

**West House
King Cross Road
Halifax
West Yorkshire
HX1 1EB**

Technopolymer Limited

**Group profit and loss account
for the year ended 31 March 2013**

		2013	2012
	Notes	£	£
Turnover	2	21,013,021	20,603,389
Cost of sales		(15,345,842)	(15,354,630)
Gross profit		5,667,179	5,248,759
Distribution costs		(590,324)	(581,437)
Administrative expenses		(4,194,431)	(4,122,455)
Other operating income		101,072	89,480
Operating profit	3	983,496	634,347
Interest payable	4	(268,584)	(291,771)
Profit on ordinary activities before taxation		714,912	342,576
Tax on profit on ordinary activities	7	(102,372)	(100,240)
Profit for the year	19	612,540	242,336
Retained profit brought forward		684,835	554,982
Dividends	8	(199,892)	(112,483)
Retained profit carried forward		1,097,483	684,835

There are no recognised gains or losses other than the profit or loss for the above two financial years

The results for the above two financial years arise from continuing operations

The notes on pages 10 to 23 form an integral part of these financial statements.

Technopolymer Limited

**Group balance sheet
as at 31 March 2013**

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		1,425,020		766,427
Tangible assets	11		7,166,328		6,783,943
			<u>8,591,348</u>		<u>7,550,370</u>
Current assets					
Stocks	13	3,292,540		3,168,377	
Debtors	14	4,026,529		4,417,794	
Cash at bank and in hand		962		278	
		<u>7,320,031</u>		<u>7,586,449</u>	
Creditors: amounts falling due within one year	15	<u>(7,857,322)</u>		<u>(7,809,041)</u>	
Net current liabilities			<u>(537,291)</u>		<u>(222,592)</u>
Total assets less current liabilities			8,054,057		7,327,778
Creditors: amounts falling due after more than one year	16		(2,195,732)		(1,980,362)
Provisions for liabilities			<u>(551,167)</u>		<u>(452,906)</u>
Net assets			<u>5,307,158</u>		<u>4,894,510</u>
Capital and reserves					
Called up share capital	18		4,123,675		4,209,675
Other reserves	19		86,000		-
Profit and loss account	19		1,097,483		684,835
Shareholders' funds	20		<u>5,307,158</u>		<u>4,894,510</u>

The financial statements were approved by the Board on 20 August 2013 and signed on its behalf by

J M Hopkinson
Director



Registration number 06303883

The notes on pages 10 to 23 form an integral part of these financial statements.

Technopolymer Limited

**Company balance sheet
as at 31 March 2013**

	Notes	£	2013 £	£	2012 £
Fixed assets					
Investments	12		4,184,012		4,184,012
Current assets					
Debtors	14		25,663		25,663
Net current assets			<u>25,663</u>		<u>25,663</u>
Total assets less current liabilities			<u>4,209,675</u>		<u>4,209,675</u>
Net assets			<u>4,209,675</u>		<u>4,209,675</u>
Capital and reserves					
Called up share capital	18		4,123,675		4,209,675
Other reserves			86,000		-
Shareholders' funds	20		<u>4,209,675</u>		<u>4,209,675</u>

The financial statements were approved by the Board on 20 August 2013 and signed on its behalf by

J M Hopkinson
Director



Registration number 06303883

The notes on pages 10 to 23 form an integral part of these financial statements.

Technopolymer Limited

**Group Cash flow statement
for the year ended 31 March 2013**

	Notes	2013 £	2012 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		983,496	634,347
Depreciation		540,338	531,524
(Increase) in stocks		(124,163)	(347,806)
Decrease / (increase) in debtors		361,230	(316,500)
Increase in creditors		143,853	559,064
Net cash inflow from operating activities		<u>1,904,754</u>	<u>1,060,629</u>
Cash flow statement			
Net cash inflow from operating activities		1,904,754	1,060,629
Interest paid	4	(268,584)	(291,771)
Taxation		33,012	-
Capital expenditure	24	(1,581,316)	(554,020)
		<u>87,866</u>	<u>214,838</u>
Equity dividends paid	8	(113,892)	(112,483)
		<u>(26,026)</u>	<u>102,355</u>
Financing	24	306,751	127,541
Increase / (Decrease) in cash in the year		<u>280,725</u>	<u>229,896</u>
Reconciliation of net cash flow to movement in net funds			
Increase / (Decrease) in cash in the year	25	280,725	229,896
Net debt at 1 April 2012	25	(3,363,525)	(3,593,421)
Net debt at 31 March 2013	25	<u>(3,082,800)</u>	<u>(3,363,525)</u>

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. Income is recognised at the point of sale when the goods are despatched.

Goodwill

Goodwill arising on consolidation is not amortised since in the opinion of the directors its present carrying value represents their estimate of the current value of goodwill within the group. The directors annually review the carrying value in conjunction with their assessment of any reduction in the useful economic life of the goodwill.

The subsidiary's purchase of goodwill is expected to be completed in October 2013. No amortisation has therefore been provided during the current year. Goodwill will be amortised over the life of the additional revenue stream.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	2% per annum
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	2% - 25% straight line
Fixtures, fittings and equipment	-	10% - 33% straight line

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

Accounting policies continued

Pensions

The pension costs charged in the financial statements represent the contribution payable by the group during the year

Deferred taxation

Deferred taxation is recognised on a full provision basis on all timing differences which have originated but not reversed, at the balance sheet date. Timing differences represent accumulated differences between the company's taxable profit and its financial profit and arise primarily from the difference between accelerated capital allowances and depreciation. Deferred taxation has been discounted using a discount factor of 4%.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

	2013 £	2012 £
Geographical market		
UK	11,667,324	11,172,682
Europe	3,628,219	4,257,154
North America, Australia and Far East	5,717,478	5,173,553
	<u>21,013,021</u>	<u>20,603,389</u>

3. Operating profit

	2013 £	2012 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	552,000	532,516
Research and development		
- expenditure in current year	11,705	27,650
Operating lease rentals		
- Motor vehicles	81,793	69,166
Auditors' remuneration - audit	12,000	12,000
- accountancy and tax services	15,000	11,750
	<u>11,662</u>	<u>992</u>
and after crediting		
Profit on disposal of tangible fixed assets	11,662	992
Government grants	6,129	-
	<u>11,662</u>	<u>992</u>

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

4. Interest payable	2013	2012
	£	£
Bank interest	184,234	205,738
Hire purchase interest	84,350	86,033
	<u>268,584</u>	<u>291,771</u>

5. Employees

Number of employees	2013	2012
The average monthly numbers of employees (including the directors) during the year were	<u>77</u>	<u>81</u>

Employment costs	2013	2012
	£	£
Wages and salaries	2,175,845	2,291,598
Social security costs	237,295	249,905
Pension costs-other operating charge	30,454	31,462
	<u>2,443,594</u>	<u>2,572,965</u>

Directors' remuneration		
Remuneration and other emoluments	136,401	160,086
Pension contributions	3,120	3,090
	<u>139,521</u>	<u>163,176</u>

6. Pension costs

The group operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £30,454 (2012 - £31,462).

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

7. Tax on profit on ordinary activities

Analysis of charge in period	2013 £	2012 £
Current tax		
UK corporation tax	4,111	(33,012)
Deferred tax		
Timing differences, origination and reversal	98,261	101,383
Prior period adjustments	-	31,869
Tax on profit on ordinary activities	<u>102,372</u>	<u>100,240</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the effective rate of corporation tax in the UK (23.00 per cent). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>714,912</u>	<u>342,576</u>
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 23.00% (31 March 2012: 23.00%)	164,430	78,792
Effects of:		
Expenses not deductible for tax purposes	18,058	3,613
Research and development allowance	(80,116)	17,835
Current tax charge for period	<u>102,372</u>	<u>100,240</u>

Factors that may affect future tax charges

The group has offset profits of £385,067 against taxable losses brought forward. The group has taxable losses of £291,958 available to carry forward and offset against future trading profits.

8. Dividends	2013 £	2012 £
Equity dividends on Ordinary A shares paid during the year	<u>113,892</u>	<u>112,483</u>

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

9. Profit for the year attributable to shareholders

As permitted by Section 480 of the Companies Act 2006 the Profit and Loss Account of Technopolymers Limited has not been presented with the financial statements

The results after taxation of the company show a profit of £199,892 (2012 £112,483)

10. Intangible fixed assets

Group	Goodwill £	Total £
Cost		
At 1 April 2012	766,427	766,427
Additions	658,593	658,593
At 31 March 2013	<u>1,425,020</u>	<u>1,425,020</u>
Net book values		
At 31 March 2013	<u>1,425,020</u>	<u>1,425,020</u>
At 31 March 2012	<u>766,427</u>	<u>766,427</u>

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

11. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Group					
Cost					
At 1 April 2012	2,325,986	344,959	9,048,797	813,258	12,533,000
Additions	640	-	741,699	193,635	935,974
Disposals	-	-	(47,929)	-	(47,929)
At 31 March 2013	2,326,626	344,959	9,742,567	1,006,893	13,421,045
Depreciation					
At 1 April 2012	678,707	276,941	4,014,092	779,317	5,749,057
On disposals	-	-	(46,340)	-	(46,340)
Charge for the year	37,655	24,714	456,498	33,133	552,000
At 31 March 2013	716,362	301,655	4,424,250	812,450	6,254,717
Net book values					
At 31 March 2013	1,610,264	43,304	5,318,317	194,443	7,166,328
At 31 March 2012	1,647,279	68,018	5,034,705	33,941	6,783,943

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2013		2012	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	2,000,795	126,767	1,499,367	116,892

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

12. Fixed asset investments- Company	Subsidiary undertakings shares £	Total £
Cost		
At 1 April 2012 and 31 March 2013	4,184,012	4,184,012
Net book values		
At 31 March 2012 and 31 March 2013	4,184,012	4,184,012

The company holds 100% of the ordinary share capital of the following company incorporated in Great Britain

Subsidiary undertaking	Nature of subsidiary's activities
Rosehill Polymers Limited	Manufacture and supply of binders, elastomers and other polymeric products utilised in sports and safety surfacing, manufacturing, transportation and heavy industrial applications

At 31 March 2013 Rosehill Polymers Limited had capital and reserves of £4,440,708 and had made a profit for the year of £612,540

13. Stocks	2013 £	2012 £
Group		
Raw materials and consumables	1,364,100	929,376
Finished goods and goods for resale	1,928,440	2,239,001
	3,292,540	3,168,377

Technopolymer Limited

**Notes to the financial statements
for the year ended 31 March 2013**

14. Debtors	2013	2012
	£	£
Group		
Trade debtors	3,709,547	3,907,900
Other debtors	35,520	65,555
Prepayments and accrued income	281,462	444,339
	<u>4,026,529</u>	<u>4,417,794</u>
Company		
Amounts owed by group undertaking	<u>25,663</u>	<u>71,828</u>
15. Creditors: amounts falling due within one year	2013	2012
	£	£
Group		
Bank overdraft	749,447	783,290
Bank loan	54,000	52,728
Invoice discounting	2,334,315	2,580,513
Net obligations under finance leases and hire purchase contracts	508,221	332,112
Trade creditors	3,306,568	3,542,874
Corporation tax	7,088	-
Other taxes and social security costs	416,594	321,826
Accruals and deferred income	481,089	195,698
	<u>7,857,322</u>	<u>7,809,041</u>

Bank borrowings shown above and in note 16 are secured against assets of the company and by personal guarantees given by the directors.

Obligations under finance leases and hire purchase contracts shown above and in note 16 are secured on the assets to which they relate.

The invoice discounting creditor is secured on the book debts of Rosehill Polymers Limited

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

16. Creditors: amounts falling due after more than one year	2013	2012
	£	£
Group		
Bank loan	988,736	1,044,247
Other loan	50,000	50,000
Directors' loan	60,784	60,784
Net obligations under finance leases and hire purchase contracts	1,096,212	825,331
	<u>2,195,732</u>	<u>1,980,362</u>
Loans		
Repayable in five years or more by instalments	<u>772,736</u>	<u>833,335</u>
17. Provision for deferred taxation	2013	2012
	£	£
Group		
Accelerated capital allowances	749,778	742,462
Tax losses carried forward	(67,150)	(155,730)
Undiscounted provision for deferred tax	682,628	586,732
Discount	(131,461)	(133,826)
Discounted provision for deferred tax	<u>551,167</u>	<u>452,906</u>
Provision at 1 April 2012	452,906	
Deferred tax charge in profit and loss account	98,261	
Provision at 31 March 2013	<u>551,167</u>	

The provision has been discounted using a discount factor of 4%

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

18. Share capital	2013 £	2012 £
Allotted, called up and fully paid equity shares		
2,194,625 Ordinary A shares of £1 each	2,194,625	2,194,625
1,929,050 Ordinary B shares of £1 each	1,929,050	2,015,050
	<u>4,123,675</u>	<u>4,209,675</u>

Under the terms of a Shareholders' Agreement dated 16 March 2011

a) The Ordinary B shareholders shall (regardless of the number of Ordinary B shares in issue) be entitled to exercise 20% of the voting rights at any general meeting of the company. As between the shareholders the voting rights shall be divided pro-rata on the basis of the number of Ordinary B shares held to the relative total number of Ordinary B shares in issue provided always that at any time each Ordinary B shareholder shall be entitled to exercise a minimum of 5% of the voting rights at any general meeting of the company.

b) The Ordinary A shareholders and the company shall procure that the company has during the year purchased a minimum 50,000 Ordinary B £1 shares at par value until all Ordinary B shares have been purchased and cancelled.

During the year, the company purchased 86,000 Ordinary B £1 shares from existing shareholders, for a consideration of £86,000. The shares were subsequently cancelled.

On 30 April 2013, the company purchased 50,000 Ordinary B £1 shares from existing shareholders, for a consideration of £50,000. The shares were subsequently cancelled.

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

19. Equity Reserves	Profit and loss account £	Capital redemption reserve £	Total £
Group			
At 1 April 2012	684,835	-	684,835
Profit for the year	612,540		612,540
Purchase of own shares	(86,000)	86,000	-
Equity Dividends	(113,892)		(113,892)
At 31 March 2013	1,097,483	86,000	1,183,483
	Profit and loss account £	Capital redemption reserve £	Total £
Company			
At 1 April 2012	-	-	-
Profit for the year	199,892	-	199,892
Purchase of own shares	(86,000)	86,000	-
Equity Dividends	(113,892)	-	(113,892)
At 31 March 2013	-	86,000	86,000

Technopolymer Limited

Notes to the financial statements for the year ended 31 March 2013

20. Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Group		
Profit for the year	612,540	242,336
Dividends	(113,892)	(112,483)
	<u>498,648</u>	<u>129,853</u>
Purchase of own shares	(86,000)	-
	<u>412,648</u>	<u>129,853</u>
Net addition to shareholders' funds	4,894,510	4,764,657
Opening shareholders' funds	<u>5,307,158</u>	<u>4,894,510</u>
Closing shareholders' funds	<u>5,307,158</u>	<u>4,894,510</u>
Company		
Profit for the year	199,892	112,483
Dividends paid	(113,892)	(112,483)
Purchase of own shares	(86,000)	-
	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	-	-
Opening and closing shareholders' funds	<u>4,209,675</u>	<u>4,209,675</u>

21. Financial commitments - Group

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows.

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within one year	175,000	175,000	45,844	62,684
Between one and five years	-	-	36,725	75,876
	<u>175,000</u>	<u>175,000</u>	<u>82,569</u>	<u>138,560</u>

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22. Related party transactions

During the year the directors received the following dividends

	2013	2012
	£	£
J M Hopkinson	65,307	64,500
A H Celik	32,658	32,250
W Stevens	15,927	15,733
	<u>113,892</u>	<u>112,483</u>

23. Controlling interest

The company was controlled throughout the year by the directors and their immediate family members through their collective ownership of the majority of the ordinary share capital

24. Gross cash flows

	2013	2012
	£	£
Capital expenditure		
Payments to acquire intangible assets	(408,593)	-
Payments to acquire tangible assets	(935,974)	(556,520)
Receipts from sales of tangible assets	13,250	2,500
	<u>(1,331,317)</u>	<u>(554,020)</u>
Financing		
Purchase of own shares	(86,000)	-
Repayment of long term bank loan	(54,239)	(53,025)
Capital element of hire purchase contracts	446,990	180,566
	<u>306,751</u>	<u>127,541</u>

Technopolymer Limited

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25. Analysis of changes in net funds	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	278	684	962
Overdrafts	(783,290)	33,843	(749,447)
Invoice discounting	(2,580,513)	246,198	(2,334,315)
	<u>(3,363,525)</u>	<u>280,725</u>	<u>(3,082,800)</u>
Bank loan	(1,096,975)	54,239	(1,042,736)
Hire purchase contracts	(1,157,443)	(446,990)	(1,604,433)
Net funds	<u><u>(5,617,943)</u></u>	<u><u>(112,026)</u></u>	<u><u>(5,729,969)</u></u>