

THE BRITISH PLASTICS FEDERATION

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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THE BRITISH PLASTICS FEDERATION

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Principal activities

The British Plastics Federation is the principal trade association representing the interests of the plastics industry in this country. The Federation's affairs are controlled by a Council, the members of which are elected and receive no remuneration.

Business review

The Federation (BPF) continued to perform well in 2017 again showing an increase on revenue streams whilst controlling costs.

The BPF's total income for 2017 grew to £2,593,514 (2016: £2,421,096) as growth strategies culminated in successes in most areas including income from new membership, events, web advertising, and increases in catering and meeting room usage.

The year of 2017 was both exciting and challenging as the headline initiatives of 2016 (The bringing "in-house" of the UK's plastics sector Climate Change and the addition of the members of The Packaging and Films Association) were consolidated into the BPF's operations.

Administrative expenses at £2,524,220 rose by £136,810 over 2016 with "offset" costs relating to EU projects and events being effectively being compensated for by a subsequent increase in income in those areas. Our commitment to the investments in staff and infrastructure continued. All in all, a stable and controlled operating cost base was again the order of the day.

The financial outcome in this year reflects yet another satisfying result for the Federation, generating a surplus after tax of £37,176 (2016: £20,398) and a continued strengthening of the organisation's balance sheet and reserves.

The BPF's Council of members agreed that membership subscriptions should increase by 2.5% for 2018.

Results and dividends

The surplus after taxation for the year ended 31 December 2017 was £37,176. No dividend is payable and accordingly £37,176 is transferred to reserves.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

P K Law

THE BRITISH PLASTICS FEDERATION

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 a director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

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

The director is 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. He is 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.

Fixed assets

The changes in fixed assets are detailed in Note 12 to the financial statements. The principal acquisitions in the year related to computer equipment.

Statement of disclosure to auditor

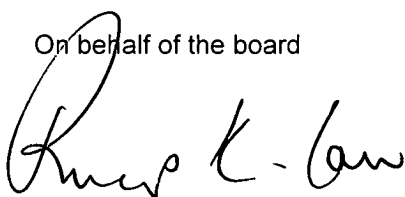
So far as the director is aware, that there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

This report is prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



P K Law
Director

Date

23rd March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PLASTICS FEDERATION

Opinion on financial statements

We have audited the financial statements of The British Plastics Federation (the 'company') for the year ended 31 December 2017 which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PLASTICS FEDERATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the director's report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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.

RSM UK Audit LLP

SARAH MASON (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date **11 May 2018**

THE BRITISH PLASTICS FEDERATION

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

| | Note | 2017 £ | £ | 2016 £ | £ |
|---|------|------------------|--------------------|------------------|--------------------|
| Income | 2 | | | | |
| Subscriptions and affiliation fees | | 1,104,468 | | 1,042,132 | |
| Other income | | <u>1,489,046</u> | | <u>1,378,964</u> | |
| | | | 2,593,514 | | 2,421,096 |
| Expenditure | | | | | |
| Administrative expenses | | | <u>(2,524,220)</u> | | <u>(2,387,410)</u> |
| Operating surplus | | | 69,294 | | 33,686 |
| Interest receivable | | | 132 | | 1,813 |
| Interest payable | | | <u>(4,503)</u> | | <u>(5,440)</u> |
| Surplus on ordinary activities before taxation | 4 | | 64,923 | | 30,059 |
| Taxation | 7 | | <u>(27,747)</u> | | <u>(9,661)</u> |
| Surplus after taxation | | | <u>37,176</u> | | <u>20,398</u> |
| Other comprehensive income (net of tax) | | | | | |
| Movements on deferred tax relating to land and building revaluation | 14 | | <u>66,663</u> | | <u>10,619</u> |
| Other comprehensive income | | | <u>66,663</u> | | <u>10,619</u> |
| Total comprehensive income for the year | | | <u>103,839</u> | | <u>31,017</u> |

THE BRITISH PLASTICS FEDERATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

Company Registration No. 00282883

| | Note | 2017 £ | £ | 2016 £ | £ |
|---|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 3,575,056 | | 3,650,694 | |
| Investment in subsidiary | 3 | <u>1</u> | | <u>1</u> | |
| | | | 3,575,057 | | 3,650,695 |
| Current assets | | | | | |
| Trade debtors | | 176,936 | | 146,565 | |
| Other debtors | | 19,123 | | 13,865 | |
| Amounts due from subsidiary undertaking | | 6,417 | | 43,934 | |
| Prepayments and accrued income | | 152,598 | | 96,013 | |
| Cash in hand and at bank | | <u>1,416,805</u> | | <u>678,893</u> | |
| | | <u>1,771,879</u> | | <u>979,270</u> | |
| Creditors: amounts falling due within one year | | | | | |
| Bank loan | | 17,687 | | 17,961 | |
| Trade creditors | | 236,809 | | 253,662 | |
| Amount owed to group companies | | 4,541 | | 4,541 | |
| Other creditors | | 658,377 | | 441,519 | |
| Taxation and social security | | 177,033 | | 43,177 | |
| Accruals and deferred income | | 220,446 | | 194,237 | |
| Subscriptions received in advance | | <u>483,978</u> | | <u>146,554</u> | |
| | | <u>1,798,871</u> | | <u>1,101,651</u> | |
| Net current liabilities | | | <u>(26,992)</u> | | <u>(122,381)</u> |
| Total assets less current liabilities | | | 3,548,065 | | 3,528,314 |
| Creditors: amounts falling due after one year | 13 | | (247,606) | | (265,031) |
| Provision for liabilities | 14 | | <u>(276,142)</u> | | <u>(342,805)</u> |
| Net assets | | | 3,024,317 | | 2,920,478 |
| Revaluation reserve | 15 | | 2,515,646 | | 2,495,152 |
| Accumulated fund | 15 | | <u>508,671</u> | | <u>425,326</u> |
| | | | <u>3,024,317</u> | | <u>2,920,478</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved and authorised for issue on

23 March 2018

B Margetts
President

P K Law
Director

THE BRITISH PLASTICS FEDERATION

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2017

| | Revaluation reserve £ | Accumulated fund £ | Total £ |
|--|-----------------------------|--------------------------|-------------------------|
| Balance at 1 January 2016 | 2,526,749 | 362,712 | 2,889,461 |
| Surplus for the year | - | 20,398 | 20,398 |
| Other comprehensive income, net of tax: | | | |
| Revaluation of land and buildings | 10,619 | - | 10,619 |
| Total comprehensive income for the year | <u>10,619</u> | <u>20,398</u> | <u>31,017</u> |
| Transfer to accumulated fund | (42,216) | 42,216 | - |
| Balance at 31 December 2016 | <u>2,495,152</u> | <u>425,326</u> | <u>2,920,478</u> |
| Surplus for the year | - | 37,176 | 37,176 |
| Other comprehensive income, net of tax: | | | |
| Revaluation of land and buildings | 66,663 | - | 66,663 |
| Total comprehensive income for the year | <u>66,663</u> | <u>37,176</u> | <u>103,839</u> |
| Transfer to accumulated fund | (46,169) | 46,169 | - |
| Balance at 31 December 2017 | <u><u>2,515,646</u></u> | <u><u>508,671</u></u> | <u><u>3,024,317</u></u> |

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies

i) General information

The British Plastics Federation is a company limited by guarantee, domiciled and incorporated in England.

The address of the companies registered office and principle place of the business is 6 Bath Place, Rivington Street, London, EC2A 3JE.

The company's principle activities are as stated in the director's report.

ii) Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small 'companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise stated.

iii) Going concern

The financial statements have been prepared on a going concern basis. Whilst the company has net current liabilities at the year-end of £26,992 the director has considered the surplus for the year and reviewed the forecasts for 2018 and 2019 to ensure the company will be in a position to meet its liabilities as they fall due.

iv) Members' subscriptions

Members' subscriptions represent amounts receivable in respect of the 2017 annual subscription, excluding value added tax.

v) Other income

Other income is recognised at full selling price for which the company has a right to consideration. This includes a management fee from sponsored events and other project related activities, excluding value added tax. Professional services and rental income are also included within other income.

vi) Government Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies (continued)

vii) Fixed assets and depreciation

Tangible fixed assets, except freehold properties, are measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

| | |
|------------------------|--------------------|
| Freehold buildings | 2% of valuation |
| Furniture and fittings | 10% to 20% of cost |
| Computer equipment | 33 1/3% of cost |

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

viii) Revaluation of properties

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in comprehensive income or a revaluation loss exceeds the accumulated revaluation gains in equity, such gains and losses are recognised in comprehensive income.

ix) Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Federation estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies (*continued*)

x) Group accounts

BPF Energy Limited was incorporated on the 26 June 2009 as a wholly owned subsidiary of the Federation with issued share capital of £1. It has traded in the year but has not been consolidated as the director has taken the exemptions available to small groups. These financial statements present the financial position and financial performance of the Federation as a single entity.

xi) Leases

Company as lessee – operating leases

Expenditure on operating leases is charged to the statement of comprehensive income on a straight-line basis over the lease term.

Company as lessor – operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies (*continued*)

xii) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

xiii) Pension costs

The Federation operates a group personal pension arrangement for employees. The amounts charged to the statement of total comprehensive income in respect of pension costs are the contributions payable in the year.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies (*continued*)

xiv) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in comprehensive income for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in comprehensive income.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Income

The company's income is derived largely within the UK with the exception of project income of £80,469 (2016: £48,658) which is generated from Europe.

An analysis of the company's income by class of business is as follows:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Subscription income and affiliation fees | 1,104,468 | 1,042,132 |
| Property rental income | 163,712 | 165,625 |
| Professional services | 992,774 | 908,601 |
| Events | 160,548 | 179,379 |
| Projects | 80,469 | 48,658 |
| Catering | 63,153 | 50,976 |
| On-line & publications | 22,955 | 14,021 |
| Other income | 5,435 | 11,705 |
| | <u>2,593,514</u> | <u>2,421,096</u> |

3 Subsidiaries and joint ventures

The company has interests in various companies as follows:

| | % held | Status | Country of incorporation | Net assets as at 31/12/17 | Surplus for the year to 31/12/17 | Nature of Business |
|---|--------|---------|--------------------------|---------------------------|----------------------------------|-------------------------|
| The Plastics and Rubber Advisory Service (PRAS) | 100 | Dormant | England and Wales | £4,541 | Nil | Advisory Consultancy |
| BPF Energy Limited | 100 | Active | England and Wales | £182,257 | £45,647 | Administrative Services |

The PRAS accumulated fund is £4,541 (2016: £4,541), amount owed by parent undertaking £4,541 (2016: £4,541).

During the year the company charged its subsidiary BPF Energy Limited £799,960 (2016: £717,771) in respect of management & administrative services. At the end of the year £6,417 was due from BPF Energy Limited (2016: £43,934).

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Surplus on ordinary activities before taxation

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| (i) Administrative expenses include: | | |
| Staff costs – Wages and salaries | 1,081,569 | 1,101,398 |
| Social security costs | 117,301 | 122,613 |
| Pension costs - defined contribution schemes | 123,950 | 116,194 |
| | <u>1,322,820</u> | <u>1,340,205</u> |
| Repairs & Maintenance | 55,281 | 32,794 |
| Professional Fees | 44,922 | 58,249 |
| Depreciation | 91,380 | 87,310 |
| Auditor's remuneration - audit services | 15,200 | 14,375 |
| Operating lease rentals (hire of equipment) | <u>24,880</u> | <u>21,756</u> |
| (ii) Interest payable on: | | |
| Bank Loan-secured on property | <u>4,503</u> | <u>5,440</u> |
| (iii) other income includes: | | |
| Rental Income under Lease Agreements | 163,713 | 165,624 |
| Services Agreements | 992,774 | 908,601 |
| | <u>1,156,487</u> | <u>1,074,225</u> |
| (iv) Grants for projects: | | |
| EU funded projects | <u>80,469</u> | <u>48,658</u> |

5 Director's emoluments

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Emoluments | 185,241 | 184,331 |
| Company contributions to money purchase pension schemes | - | - |
| | <u>185,241</u> | <u>184,331</u> |

The number of directors for whom retirements benefits are accruing under defined contribution schemes amounted to 1 (2016: 1).

6 Employees

| | 2017 No | 2016 No |
|---|------------|------------|
| Average number of employees during the year | <u>26</u> | <u>26</u> |

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Taxation

A UK corporation tax provision for current tax in the year has been made of £27,747 (2016: £9,661).

TAX ON SURPLUS ON ORDINARY ACTIVITIES

| | 2017 £ | 2016 £ |
|---|---------------|--------------|
| Current tax | | |
| UK corporation tax | 27,747 | 9,661 |
| Total current tax | <u>27,747</u> | <u>9,661</u> |
| Factors affecting tax charge for the period | | |

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 19% (2016: 20%). The differences are explained below:

| | 2017 £ | 2016 £ |
|--|---------------|--------------|
| Surplus on ordinary activities before tax | 64,923 | 30,059 |
| Surplus on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%). | 12,497 | 6,012 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 18,530 | 18,455 |
| Capital allowances claimed | (3,280) | (14,806) |
| Utilisation of tax losses | - | - |
| Adjustment to tax charge in respect of previous year | | |
| Current tax charge for the year | <u>27,747</u> | <u>9,661</u> |

A deferred tax credit of £66,663 (2016: £10,619) relating to the revaluation of the Federation's freehold property has been recognised in other comprehensive income.

A deferred tax liability of £5,503 (2016: £7,044) arising on accelerated capital allowances relating to non-freehold assets has not been recognised in the accounts as it is not considered material.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Commitments under operating leases

The company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for office equipment are as follows:

| | 2017 £ | 2016 £ |
|----------------------------|---------------|---------------|
| Amounts due: | | |
| Within one year | 10,816 | 25,172 |
| Between one and five years | 25,326 | 13,925 |
| | <u>36,142</u> | <u>39,097</u> |

The company as lessor:

At the year end the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

| | 2017 £ | 2016 £ |
|----------------------------|----------------|----------------|
| Amounts receivable: | | |
| Less than one year | 50,505 | 49,906 |
| Between one and five years | 90,938 | 109,193 |
| | <u>141,443</u> | <u>159,099</u> |

9 Retirement benefits

Defined contribution

The Federation operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Federation in an independently administered fund. The contributions payable by the Federation charged to comprehensive income amounted to £123,950 (2016: £116,194).

10 Grant agreement funds

Pre-financing received against approved Research & Development grants is currently held by the BPF for the future benefit of consortium members in a separately designated bank account. The cash held at the year-end of €161 (2016: €161) has not been reported in these financial statements as the conditions for the distribution of these funds have not been met as at 31 December 2017.

11 Constitution

The Federation is a company limited by guarantee. The liability of each member is limited to £1. The Federation has a total of 424 corporate members as at 31 December 2017 (2016: 420).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets

| | Freehold premises £ | Furniture & fittings £ | Computer equipment £ | Total £ |
|--------------------------|---------------------------|------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2017 | 3,685,000 | 250,742 | 330,144 | 4,265,886 |
| Additions | - | 5,844 | 9,899 | 15,743 |
| Disposals | - | (205,969) | (228,833) | (434,802) |
| At 31 December 2017 | 3,685,000 | 50,617 | 111,210 | 3,846,827 |
| Depreciation | | | | |
| At 1 January 2017 | 113,570 | 223,444 | 278,178 | 615,192 |
| Disposals | - | (205,969) | (228,833) | (434,802) |
| Charge for the year | 56,786 | 5,200 | 29,395 | 91,381 |
| At 31 December 2017 | 170,356 | 23,675 | 78,740 | 271,771 |
| Net book value | | | | |
| At 31 December 2017 | 3,514,644 | 27,942 | 32,470 | 3,575,056 |
| At 31 December 2016 | 3,571,430 | 27,298 | 51,966 | 3,650,694 |

The Federation has given a fixed charge over the freehold property at 6 Bath Place as security for its bank loan facility.

The freehold property was valued on an existing use open market value basis at the 31 December 2014 by Farebrother, Chartered Surveyors, at a market value of £3,685,000. The land was valued at £845,737 and buildings £2,839,263. An internal assessment was made on 31st December 2017 by the Director and Company secretary who concluded that with impending development issues of a nearby hotel, uncertainty with regards to the UK's referendum result to leave the EU as well as a maintenance of the organisation's tenant profile (other trade associations) that the valuation should not change from the previous year.

The property was originally acquired at a cost of £1,132,069.

A combined area of 3,225 Sq Ft or 35% of the total freehold property is rented out to four tenants under separate operating lease agreements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets (*continued*)

If land and buildings were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

| | Land and buildings | |
|--------------------------|---------------------------|----------------|
| | 2017 | 2016 |
| | £ | £ |
| Cost | 1,132,069 | 1,132,069 |
| Accumulated depreciation | 435,919 | 417,755 |
| Carrying amount | <u>696,150</u> | <u>714,314</u> |

13 Creditors: amounts falling due after more than one year

| | 2017 | 2016 |
|-----------|----------------|----------------|
| | £ | £ |
| Bank loan | <u>247,606</u> | <u>265,030</u> |

The bank loan is secured by a fixed charge on 6 Bath Place, London

The Federation makes monthly repayment of the bank borrowing of an agreed amount to include capital plus an interest rate of 1.37% above the base rate.

Included above is the following:

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Amounts repayable by instalments falling due after more than five years | <u>173,032</u> | <u>192,055</u> |

14 Provisions for liabilities

| | Deferred taxation | |
|---------------------------------|--------------------------|----------------|
| | £ | |
| At 1 January 2017 | | 342,805 |
| Provision released in the year | | (66,663) |
| At 31 December 2017 | | <u>276,142</u> |
| Deferred tax liabilities: | 2017 | 2016 |
| | £ | £ |
| Valuation of land and buildings | 276,142 | 342,805 |
| | <u>276,142</u> | <u>342,805</u> |

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Reserves

Reserves of the company represent the following:

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Accumulated fund

Cumulative surplus or deficit.

16 Related party transactions

During the year, the Federation provided administration services of £799,960 (2016: £717,771) to assist BPF Energy Limited, the Federation's wholly owned subsidiary, to administer the Plastics Sector Climate Change Agreement (CCA). At the year-end £6,417 was owed by BPF Energy to the Federation (2016: £43,934).

Owing to the nature of the Federation's operations and the composition of the Council, transactions may take place with Council members or organisations in which a member of the Council has an interest. All transactions involving such organisations or individuals are conducted in accordance with the Federation's financial regulations and normal procurement procedures.