

The British Plastics Federation
Registered No: 282883

Report and Accounts
Year Ended 31 December 2004



The British Plastics Federation

Notice of Meeting

Notice is hereby given that the seventieth Annual General Meeting of the Federation will be held at 6 Bath Place, London at 12 noon on Wednesday, 4 May 2005 when the following business will be transacted:

1. To approve the Minutes of the sixty-ninth Annual General Meeting held on 22 April 2004.
2. To note apologies for absence.
3. To receive and adopt the Accounts and Balance Sheet of the Federation and the Report of the Honorary Treasurer for the year ended 31 December 2004 and the Report of the Auditors thereon.
4. To receive the President's Review.
5. To receive and adopt the Director's Report.
6. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting, and to authorise the Council to fix their remuneration.
7. To report to the Members the results of the elections to the Council of the Federation for the period 2005-2008.
8. Any other business.

By order of the Council



A V DAVEY
Federation Secretary

Dated: 16 March 2005.

A member entitled to be present and vote at the above mentioned meeting may appoint a proxy to attend and vote in his stead. Pursuant to Article 60 of the Federation's Articles of Association, a proxy must be a member of the Federation.

The British Plastics Federation

Director's Report For the Year Ended 31 December 2004

Business review

The Federation has continued its recruitment campaign to attract new members and improve membership services at a time when few Trade Associations are increasing their income. This activity resulted in a further 38 new members for the Federation in 2004, more than offsetting full resignations in the year of 18, and allowing net membership levels to increase. Financially, new memberships produced £22,000 of new income in the year and will contribute a further £69,000 in 2005 when annualised.

Overall, total income from subscriptions remained at 2003 levels for 2004 at £967,267.

Net income also benefited from BPF sponsored events and project work which combined to produce a healthy £162,093 (2003: £113,717). It was a particularly active year with representation at major events: Chinaplas, Kunststoffe and Plastpol. Project work focussed principally on the Vinyl 2010 recycling initiative and PROVE automotive project.

Although operating expenses rose by some 4%, these included a number of landlord improvements including the refurbishment of basement offices, reception and the third floor. Also the drafting of legal agreements for two incoming tenants in 2005 was included in the cost base. Despite these unbudgeted costs, a surplus was achieved for the year after taxation of £9,338 (deficit in 2003, £4,735). This is an excellent result given the Industry and economic conditions.

With the advent of PlasticsEurope and the polymer producer resignations from membership, advance payments of 2005 subscriptions have been significantly reduced with an adverse impact on what previously has been a strong cash position at financial year-ends.

Subscription membership rates have been increased for 2005 by 3%.

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.

Results and dividends

The surplus after taxation for the year ended 31 December 2004 was £9,338. No dividend is payable and accordingly £9,338 is transferred to reserves.

Statement of Director's Responsibility in respect of the Accounts

The director is required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Federation as at the end of the financial year and of the surplus or deficit for the financial year.

The director considers that in preparing the financial statements on pages 6 to 14, the Federation has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which he considers to be applicable have been followed. He is also required to prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

The director has responsibility for ensuring that the Federation keeps accounting records which disclose with reasonable accuracy the financial position of the Federation and which enables him to ensure that the financial statements comply with the Companies Act 1985.

The director has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The British Plastics Federation

Director's Report For the Year Ended 31 December 2004

Schedule 8 Exemptions

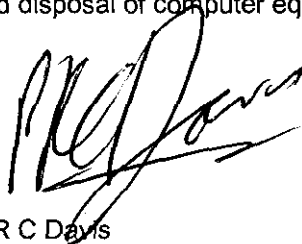
Advantage is taken in the preparation of the Director's Report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Director and his interests

P R C Davis served as a director throughout the year. He had no beneficial interest in the company at any time during the year or since the year-end.

Fixed assets

Changes in fixed assets, as detailed in Note 10 to the accounts, were mainly due to the addition and disposal of computer equipment. Note 11 deals with the freehold property revaluation reserve.

A handwritten signature in black ink, appearing to read 'P R C Davis', is written over the printed name and title.

P R C Davis
Director
16 March 2005

Independent Auditors' Report to the Members Of The British Plastics Federation

We have audited the financial statements of the British Plastics Federation for the year ended 31 December 2004, which comprise the Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors' Report to the Members Of
The British Plastics Federation (continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



BAKER TILLY
Registered Auditors
2 Bloomsbury Street
London WC1B 3ST

16 March 2005

The British Plastics Federation

**Income and Expenditure Account
for the year ended 31 December 2004**

	Note	2004 £	£	2003 £	£
Income					
Subscriptions and affiliation fees		967,267		966,942	
Other income		983,152		477,285	
		<hr/>	1,950,419	<hr/>	1,444,227
Expenditure					
Administrative expenses	4		1,933,253		1,438,852
Operating surplus/(deficit)			<hr/> 17,166		<hr/> 5,375
Interest receivable			1275		553
Interest payable	4		(9,103)		(10,663)
Surplus/(deficit) on ordinary activities before taxation			<hr/> 9,338		<hr/> (4,735)
Taxation	7		-		-
Surplus/(deficit) after taxation	12		<hr/> 9,338		<hr/> (4,735)

The income and surplus for the year arises from continuing activities.

There are no material differences between the result stated on an historical cost basis and the result stated above.

The notes on pages 8 to 14 form part of these accounts.

Balance Sheet
as at 31 December 2004

	Note	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	10	1,336,521		1,355,271	
Listed Investment		3,349		3,032	
			1,339,870		1,358,303
Current assets					
Trade debtors		272,778		125,727	
Other debtors		19,929		33,715	
Prepayments and accrued income		34,438		49,904	
Cash in hand and at bank		16,806		156,914	
		343,951		366,260	
Creditors					
(amounts falling due within one year)					
Bank overdraft		97,202		-	
Trade creditors		108,973		134,387	
Amount owed to group company		4,541		4,541	
Other creditors		394,573		409,181	
Taxation and social security		66,060		83,246	
Accruals and deferred income		167,378		113,345	
Subscriptions received in advance		291,936		436,043	
		(1,130,663)		(1,180,743)	
Net current liabilities			(786,712)		(814,483)
Total assets less current liabilities			553,158		543,820
			=====		=====
Revaluation reserve	11	392,250		398,316	
Accumulated fund	12	160,908		145,504	
		553,158		543,820	
		=====		=====	

The Notes on pages 8 to 14 form part of these accounts

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. In the Director's opinion, the company is entitled to these exemptions as a small company.

J Jeffries President

P R C Davis Director

16 March 2005



The British Plastics Federation

Notes To The Accounts – 31 December 2004

1 Accounting Policies

(i) Accounting convention

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities. Items are stated in the accounts under the historical cost convention and in accordance with applicable accounting standards contained in the FRSSE (effective June 2002).

(ii) Members' subscriptions

Members' subscriptions represent amounts receivable in respect of the 2004 annual subscription, excluding value added tax.

(iii) Other income

Other income includes a management fee from sponsored events and other activities, excluding value added tax. Rental income is also included within other income. This is included in the income and expenditure account on a straight-line basis over the term of the lease.

(iv) Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of assets over their estimated useful lives on a straight -line basis.

The principal rates of depreciation in use are:

Freehold buildings	2% of net cost
Furniture and fittings	20% of net cost
Motor vehicles	25% of net cost
Computer equipment	20% of net cost

Land is not depreciated.

(v) Group accounts

Group accounts have not been prepared since the Federation's subsidiary is dormant. The joint venture Valuplast Limited is not included on the basis that it is not material.

(vi) Operating leases

Expenditure on operating leases is charged to the income and expenditure account on a straight-line basis over the lease term.

(vii) Deferred taxation

Provision is made for Corporation tax deferred by timing differences except to the extent that there is no reasonable prospect of payment in the foreseeable future.

The British Plastics Federation

Notes To The Accounts – 31 December 2004 (continued)

(viii) Pension costs

The Federation operated both a defined benefit pension scheme and a group personal pension arrangement for employees during 2004. The cost of providing pensions for employees is charged to the income and expenditure account over the working life of employees in accordance with recommendations of independent qualified actuaries. The defined benefits scheme was closed 31 December 2003, and disclosures at that date under FRS 17 appear in note 14 to the accounts.

2 The Plastics and Rubber Advisory Service

The Plastics and Rubber Advisory Service is a wholly owned subsidiary of the Federation, providing information and advisory services. It is a company limited by guarantee, registered in England and Wales. The Federation has given a guarantee of £1 in the event of the company being wound up. There was no activity for this subsidiary, which should be considered dormant for the period, and consequently no group balance sheet has been prepared.

The accumulated fund is £4,541 (2003: £4,541), amount owed by parent undertaking £4,541 (2003: £4,541).

3 Valuplast UK Limited, Valuplast Limited

The Federation is a member of and has 50% of the voting rights of Valuplast UK Limited, a company whose wholly owned subsidiary Valuplast Limited is engaged in the protection of the plastics packaging industry's interests. Valuplast Limited discontinued its activities during 2002.

As there was no foreseeable prospect of future project work or funding, the BPF settled the entire accumulated deficit of Valuplast Limited in 2004 –with agreement from the Council. Valuplast UK Limited is a company limited by guarantee, registered in England and Wales. The share of the Federation's interest in Valuplast Limited at 31 December 2004, not included in the accounts, was as follows:

Valuplast Limited	2004	2003
	£	£
Surplus/(Deficit) for the year	1,831	(16)
Reserves	-	(1,831)

4 Surplus/(Deficit) On Ordinary Activities Before Taxation

(i) Administrative expenses include:

	2004	2003
	£	£
Staff costs – Wages and salaries	556,232	544,771
Social security costs	64,880	56,142
Other pension costs – defined benefit scheme	29,000	54,572
- defined contribution schemes	43,338	21,154
	<u>693,450</u>	<u>676,639</u>
Depreciation	54,518	58,518
Auditors' remuneration - audit services	11,200	10,750
Operating lease rentals (hire of equipment)	35,511	29,513
(Profit)/Loss on disposal of fixed assets	(2,000)	12,370
Exceptional item – write off of Valuplast Limited deficit	3,628	-

The British Plastics Federation

Notes To The Accounts – 31 December 2004 (continued)

(ii) Interest payable on:

Bank overdraft	1,895	2,763
Cash held on behalf of member groups	<u>7,208</u>	<u>7,900</u>
	<u>9,103</u>	<u>10,663</u>

(iii) Other income includes:

Rental income	<u>53,270</u>	<u>52,510</u>
---------------	---------------	---------------

5 Director's Emoluments

The emoluments of the director amounted to £116,251 (2003: £109,508). Contributions by the Company under a money purchase pension scheme amounted to £12,326 (2003: £11,875). No other Council member received emoluments. Retirement benefits accrued to one director under a money purchase pension scheme.

6 Employees

The average number of persons employed by the company during the year was 22 (2003: 24).

7 Taxation

There are UK Corporation tax losses carried forward of approximately £179,000.

The potential liability to deferred taxation calculated at 10% on the rolled over capital gain is £21,000 (2003: £21,000). This has not been provided in the accounts, as it is not expected to crystallise in the foreseeable future.

A deferred tax liability of £2,734 (2003: £3,635) arising on accelerated capital allowances has not been recognised in the accounts.

8 Operating Lease Commitments

The Company has commitments under operating leases on assets other than land and buildings to make payments in the year to 31 December 2005 as follows:

	2004	2003
	£	£
Expiring: Under one year	1,421	-
Between two and five years	24,520	26,708

9 Constitution

The Federation is a company limited by guarantee. The liability of each member is limited to £1.

The British Plastics Federation

Notes To The Accounts – 31 December 2004 (continued)

10 Tangible Fixed Assets

	Freehold Premises	Furniture/ Fittings	Motor Vehicles	Computer Equipment	Total
	£	£	£	£	£
The Company					
Cost					
At 1 January 2004	1,300,000	169,330	21,951	182,959	1,674,240
Additions	-	8,657	-	27,111	35,768
Disposals	-	-	(21,951)	(10,908)	(32,859)
Revaluation	-	-	-	-	-
At 31 December 2004	1,300,000	177,987	-	199,162	1,677,149
Depreciation					
At 1 January 2004	19,500	169,075	21,951	108,443	318,969
On disposals	-	-	(21,951)	(10,908)	(32,859)
Provision for year	19,500	1,030	-	33,988	54,518
Revaluation	-	-	-	-	-
At 31 December 2004	39,000	170,105	-	131,523	340,628
Net Book Amount					
At 31 December 2004	1,261,000	7,882	-	67,639	1,336,521
At 31 December 2003	1,280,500	255	-	74,516	1,355,271

The freehold property at 6 Bath Place was revalued at 31 December 2002. The proportion of land and buildings were valued at £325,000 and £975,000 respectively. The historic cost of the land and buildings is £1,132,069. The 2002 revaluation resulted in a transfer of £404,382 to the revaluation reserve.

The Federation has supplied a fixed charge over the freehold property as security for its overdraft facility. One of the six floors of the freehold property is rented to a third party under an operating lease agreement.

11 Freehold Property Revaluation Reserve

	Buildings	Amount relating to:		Total 2003
	£	Land	Total 2004	£
1 January 2004	297,221	101,095	398,316	404,382
Revaluation during the year	-	-	-	-
Transfer to Accumulated fund (note 12)	(6,066)	-	(6,066)	(6,066)
31 December 2004	291,155	101,095	392,250	398,316

The British Plastics Federation

Notes To The Accounts – 31 December 2004 (continued)

12 Accumulated Fund

	2004	2003
	£	£
1 January 2004	145,504	144,173
Surplus/(deficit) for the year	9,338	(4,735)
Transfer from revaluation reserve (note 11)	6,066	6,066
31 December 2004	160,908	145,504

13 Capital Commitments

At 31 December 2004 the Federation had no capital expenditure authorised and contracted for (2003: £450).

14 Pension Commitments

The Federation operated a funded pension scheme providing benefits based on final pensionable pay, the scheme ceased future accrual of benefits on 31 December 2003. Scheme assets are held separately from those of the Federation, being invested with insurance companies. The contribution by the Employer for the year was £29,000, (2003: £54,572).

The most recent actuarial valuation, as at 1 January 2002, used the attained age method and assumed an investment return of 5.5% p.a., salary growth of 4% p.a. and 3% allowance for future pension increases. The fund's assets had a market value of £748,000 and the past service liabilities were £910,000, giving a deficit of £162,000. The Employer contributions were 19.8% of salary with effect from 1 January 2003 plus an additional contribution of £20,000 per annum.

The funding level on the basis prescribed by the Minimum Funding Requirement was 114% at 1 January 2002.

The actuaries have rolled forward the actuarial value of the liabilities reported at 1 January 2002, allowing for changes in financial assumptions as prescribed under FRS 17. The financial assumptions used by the actuary to calculate the scheme liabilities were:

	31 December 2004	31 December 2003
Price increases	3.0%	3.0%
Salary increases	*	4.0%
Pension increases	3.0%	3.0%
Discount rate	5.75%	5.75%

* No active members

The British Plastics Federation

Notes To The Accounts – 31 December 2004 (continued)

14 Pension Commitments (continued)

The assets in the scheme, invested in a with profit Deposit Administration Fund, and the expected rate of return were:

	Long term rate of return expected at 31 December 2004	Value at 31 December 2004 £'000	Long term rate of return expected at 31 December 2003	Value at 31 December 2003 £'000
Market value of assets	3.5%	508	3.5%	639
Present value of scheme liabilities		771		840
Deficit in the scheme		263		201
Related deferred tax asset		50		38
Net pension liability		213		163

If the pension liability were to be recognised in the accounts, the Federation's net assets and reserves would be as follows:

	2004 £'000	2003 £'000
Total assets less current liabilities	553	544
Pension liability	213	163
Net assets including pension liability	340	381

Analysis of the amount that would be charged to the Income and Expenditure account:

	2004 £'000	2003 £'000
Current service cost	-	38
Total operating charge	-	38

Analysis of the amount that would be debited to other finance income:

	2004	2003
Expected return on pension scheme assets	20	28
Interest on pension scheme liabilities	(43)	(45)
Total return	(23)	(17)

Analysis of the amount that would be recognised in the statement of total recognised gains and losses:

	2004	2003
Actual return less expected return on pension scheme assets	(10)	(4)
Experience gains and losses arising on the scheme liabilities	(45)	(60)
Changes in assumptions underlying the present value of the schemes liabilities	(13)	(88)
Actuarial loss	(68)	(152)

The British Plastics Federation

Notes To The Accounts – 31 December 2004 (continued)

14 Pension Commitments (continued)

Movement in deficit during the year:

	2004	2003
	£'000	£'000
Deficit in scheme at beginning of the year	(201)	(103)
Movement in the year:		
Current service cost	-	(38)
Net interest / return on assets	(23)	(17)
Contributions	29	55
Curtailment	-	54
Actuarial loss	(68)	(152)
Deficit in scheme at end of the year	(263)	(201)

History of experience gains and losses:

	2004	2003	2002
	£'000	£'000	£'000
Difference between the expected and actual return on assets	(10)	(4)	(1)
Value of assets	508	639	765
Percentage of assets	2.0%	0.6%	0%
Experience losses on liabilities	(45)	(60)	(3)
Present value of liabilities	771	840	868
Percentage of the present value of liabilities	5.8%	7.1%	0%
Actuarial losses recognised in statement of total recognised gains and losses	(13)	(88)	(27)
Present value of liabilities	771	840	868
Percentage of the present value of liabilities	1.7%	10.5%	3.1%
Total amount recognised in statement of total recognised gains and losses	(68)	(152)	(29)
Percentage of the present value of liabilities	8.8%	18.1%	3.3%