

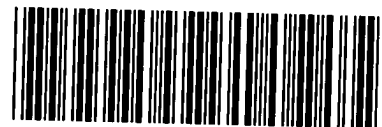
Registered number: 0497339

BODDINGTONS PLASTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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BODDINGTONS PLASTICS LIMITED

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BODDINGTONS PLASTICS LIMITED

COMPANY INFORMATION

Directors

A O Fischer
I Fisher
A T Fletcher
J Richardson
P Bowles
A Tibbs
A Baker

Company secretary

A Baker

Registered number

0497339

Registered office

Wheelbarrow Park Estate
Pattenden Lane, Marden Tonbridge
Kent
TN12 9QJ

Trading Address

Wheelbarrow Park Estate
Pattenden Lane, Marden Tonbridge
Kent
TN12 9QJ

Independent auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers

Barclays Bank plc
Ashton House
497 Silbury Boulevard
Milton Keynes
MK9 2LD

BODDINGTONS PLASTICS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

Boddingtons Plastics Limited is a subcontract injection moulding company that supplies components into the medical and technical sectors.

Business review

Increased overheads associated with the new facilities, increased pricing for raw materials and delays to customer projects impacted results for the current financial year.

The business underwent a restructure in Q4 to reduce overheads. Production for new projects also commenced towards the end of the year and as such the directors consider the company's financial position at the year-end to be satisfactory.

The company will continue to seek opportunities to expand its range of products in areas relating to its existing and prospective new activities and markets.

The results of the company are given on page 3 of the Directors' report and the company had net assets of £959,361 as at 31 December 2018.

Principal risks and uncertainties

The management of the company and its strategy are conditional upon a number of risks. The company regularly reviews the risk management processes for each business sector and functional area. The key business risks and uncertainties affecting the company are considered to relate to:

Customer Retention and Competition

As a subcontract manufacturer, risk of customers moving to competitor moulders is high. Manufacturing and supply agreements with customers, as well as additional services such as product regulatory support maintains the customer base.

Continuity of Product Supply

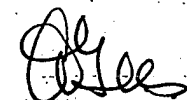
Non delivery of customer product to requirements will have the potential to result in financial loss or reputation damage. Boddingtons mitigates the risk with agreed finished goods stock levels.

Financial key performance indicators

The company's performance was satisfactory. In light of current trading conditions, the company continues to use key performance indicators for Gross Profit percentage, Operating Profit percentage and Return on Capital Employed.

| | 2018 | 2017 |
|-----------------------------|-------|-------|
| Gross Profit Percentage | 16% | 18% |
| Operating Profit Percentage | (4%) | (3%) |
| Return on Capital Employed | (32%) | (14%) |

This report was approved by the board and signed on its behalf.



Director
A Tibbs

Date: 17 April 2019

BODDINGTONS PLASTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the year, after taxation, amounted to £848,977 (2017 - loss £892,074).

Dividends of £nil (2017: £nil) were declared/paid in the year.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

A O Fischer
I Fisher
A T Fletcher
J Richardson
P Bowles
A Tibbs
A C Baker (appointed 01 January 2019)

BODDINGTONS PLASTICS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

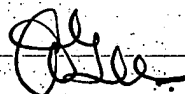
Future developments

Both the level of business in 2018 and the year-end financial position were satisfactory, but the directors expect a significant increase in activity during 2019, due to growing sales within the Medical and Technical moulding sector.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Director
A Tibbs

Date: 17 April 2019

BODDINGTONS PLASTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BODDINGTONS PLASTICS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Boddingtons Plastics Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report") which comprise: the Balance Sheet as at 31 December 2018; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

BODDINGTONS PLASTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BODDINGTONS PLASTICS LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

BODDINGTONS PLASTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BODDINGTONS PLASTICS LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

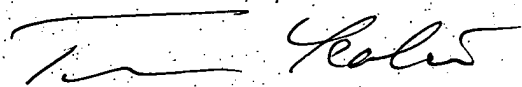
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
29 Wellington Street
Leeds

17 April 2019

BODDINGTONS PLASTICS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Note | 2018 £ | 2017 £ |
|--|------|------------------|------------------|
| Turnover | 4 | 15,677,495 | 16,243,052 |
| Cost of sales | | (13,167,673) | (13,356,285) |
| Gross profit | | 2,509,822 | 2,886,767 |
| Administrative expenses | | (3,147,410) | (3,337,433) |
| Operating loss | 5 | (637,588) | (450,666) |
| Interest receivable and similar income | 8 | - | 428 |
| Interest payable and similar expenses | 9 | (207,511) | (207,552) |
| Loss before taxation | | (845,099) | (657,790) |
| Tax on loss | 10 | (3,878) | (234,284) |
| Loss for the financial year | | (848,977) | (892,074) |

There was no other comprehensive income for 2018 (2017: £NIL).

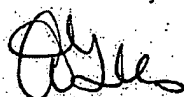
The notes on pages 11 to 25 form part of these financial statements.

BODDINGTONS PLASTICS LIMITED
REGISTERED NUMBER: 0497339

BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|---|------|-----------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 2,697,891 | 2,964,912 |
| Investments | 12 | 35,350 | 35,350 |
| | | <u>2,733,241</u> | <u>3,000,262</u> |
| Current assets | | | |
| Stocks | 13 | 1,916,590 | 1,695,114 |
| Debtors: amounts falling due within one year | 14 | 3,106,974 | 2,541,367 |
| Cash at bank and in hand | | 4,121 | 2,449 |
| | | <u>5,027,685</u> | <u>4,238,930</u> |
| Creditors: amounts falling due within one year | 15 | (5,778,991) | (4,065,096) |
| Net current (liabilities)/assets | | <u>(751,306)</u> | <u>173,834</u> |
| Total assets less current liabilities | | <u>1,981,935</u> | <u>3,174,096</u> |
| Creditors: amounts falling due after more than one year | 16 | (1,022,574) | (1,365,758) |
| Net assets | | <u><u>959,361</u></u> | <u><u>1,808,338</u></u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 147,200 | 147,200 |
| Profit and loss account | | 812,161 | 1,661,138 |
| Total equity | | <u><u>959,361</u></u> | <u><u>1,808,338</u></u> |

The financial statements on pages 8 to 25 were approved and authorised for issue by the board and were signed on its behalf by:



Director
A Tibbs

Date: 17 April 2019

Company registered number: 0497339
The notes on pages 11 to 25 form part of these financial statements.

BODDINGTONS PLASTICS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Called up share capital | Profit and loss account | Total equity |
|---|----------------------------|----------------------------|------------------|
| | £ | £ | £ |
| At 1 January 2018 | 147,200 | 1,661,138 | 1,808,338 |
| Loss for the financial year | - | (848,977) | (848,977) |
| Total comprehensive expense for the year | - | (848,977) | (848,977) |
| At 31 December 2018 | 147,200 | 812,161 | 959,361 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Called up share capital | Profit and loss account | Total equity |
|---|----------------------------|----------------------------|------------------|
| | £ | £ | £ |
| At 1 January 2017 | 147,200 | 2,553,212 | 2,700,412 |
| Loss for the financial year | - | (892,074) | (892,074) |
| Total comprehensive expense for the year | - | (892,074) | (892,074) |
| At 31 December 2017 | 147,200 | 1,661,138 | 1,808,338 |

The notes on pages 11 to 25 form part of these financial statements.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Boddingtons Plastics Limited offer a comprehensive plastics manufacturing service, from product design, development and tool manufacture through to production and assembly of finished products. This provides a 'one-stop-shop' for product design and manufacture, which streamlines the process of getting customer products to the market.

The Company is limited by shares and is incorporated in England.

The address of the registered office is Wheelbarrow Park Estate, Pattenden Lane, Marden, Tonbridge, Kent TN 9QJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies applied on the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis and under the historical cost convention in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Disclosure exemptions

The principal disclosure exemptions adopted by the company in accordance with FRS 102 are as follows:

(a) The requirements of section 7 Statement of Cash Flows and section 3 Financial Statement Presentation paragraph 3.17(d)

(b) The requirements of section 33 Related Party Disclosures paragraph 33.7. The parent LLP in whose financial statements Boddingtons Plastics Limited's financial information is consolidated is Rubicon Partners Industries LLP. Copies of the consolidated financial statements can be obtained from:

The Secretary
Rubicon Partners Industries LLP
8 - 12 York Gate
London
NW1 4Q

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Employee benefits

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

There is no liability to be recognised as of end of financial year 2018.

2.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|------------------------------|---------------|
| Long-term leasehold property | - 15 years |
| Plant and machinery | - 10% and 20% |
| Fixtures and fittings | - 10% and 15% |
| Computer equipment | - 33% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions and contingences

Provisions are measured at the best estimate (including risk and uncertainties) of the expenditure required to settle the present obligation.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.15 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the Directors are required to make judgements, estimates and assumptions affecting the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

An estimate or judgement may be considered critical if it involves matters that are highly uncertain or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the Company's results are likely to occur from period to period.

The Directors do not consider any of the judgements or estimates required when preparing the Company's financial statements to be critical.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2018 £ | 2017 £ |
|-----------------|-------------------|-------------------|
| Sales- Moulding | 14,584,489 | 15,477,224 |
| Sales- Tooling | 892,209 | 795,828 |
| Services | 200,797 | - |
| | <u>15,677,495</u> | <u>16,243,052</u> |

Analysis of turnover by country of destination:

| | 2018 £ | 2017 £ |
|-----------------------|-------------------|-------------------|
| United Kingdom | 15,270,537 | 15,549,742 |
| Sales - Other EU | 195,379 | 620,112 |
| Sales - Rest of world | 211,579 | 73,198 |
| | <u>15,677,495</u> | <u>16,243,052</u> |

5. Operating loss

The operating loss is stated after (crediting) / charging:

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Research & development charged as an expense | (20,147) | (30,399) |
| Depreciation of tangible fixed assets (note 11) | 370,845 | 532,243 |
| Fees payable to the company's auditors | 18,000 | 19,000 |
| Operating lease: Land & Buildings | 485,559 | 485,345 |
| Other operating leases | 103,701 | 127,814 |
| Defined contribution pension costs | 215,811 | 219,301 |
| Foreign exchange difference | (16,694) | (26,924) |

BODDINGTONS PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Employees

Staff costs were as follows:

| | 2018 £ | 2017 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 3,814,481 | 4,335,158 |
| Social security costs | 342,889 | 350,769 |
| Cost of defined contribution scheme | 215,811 | 219,301 |
| | <u>4,373,181</u> | <u>4,905,228</u> |

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

| | 2018 No. | 2017 No. |
|----------------|-------------|-------------|
| Production | 95 | 102 |
| Administration | 28 | 27 |
| | <u>123</u> | <u>129</u> |

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. Directors Emoluments

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Directors' remuneration | 233,024 | 348,092 |
| Contribution paid to money purchase scheme | 22,907 | 33,254 |
| | <u>255,931</u> | <u>381,346</u> |
| Highest paid director | | |
| Aggregate emoluments | 147,546 | 161,781 |
| Contribution paid to money purchase scheme | 14,438 | 14,478 |
| | <u>161,984</u> | <u>176,259</u> |

Salaries include agency costs of £242,392 (2017: £382,421).

Retirement benefits are accruing for two (2017: two) directors under a money purchase pension scheme. A O Fischer, I Fisher, A T Fletcher and J C Richardson are not remunerated by the company for their qualifying services as directors. They are also directors of the ultimate parent undertaking, Rubicon Partners Industries LLP, and their remuneration as directors of that company is disclosed in those financial statements.

8. Interest receivable and similar income

| | 2018 £ | 2017 £ |
|---------------------------|-----------|------------|
| Other interest receivable | - | 428 |
| | <u>-</u> | <u>428</u> |

BODDINGTONS PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest payable and similar expenses

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Finance leases and hire purchase contracts | 148,871 | 175,461 |
| Other interest payable | 1,432 | - |
| Interest payable to group companies | 57,208 | 32,091 |
| | <u>207,511</u> | <u>207,552</u> |

10. Tax on loss

| | 2018 £ | 2017 £ |
|--|--------------|----------------|
| Corporation tax | | |
| Current tax on loss for the year | - | 234,284 |
| Adjustments in respect of previous periods | 3,878 | (228,204) |
| | <u>3,878</u> | <u>6,080</u> |
| Total current tax | <u>3,878</u> | <u>6,080</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | - | 290,345 |
| Changes to tax rates | - | (29,563) |
| Adjustments in respect of previous periods | - | (32,578) |
| | <u>-</u> | <u>228,204</u> |
| Total deferred tax | <u>-</u> | <u>228,204</u> |
| Taxation on loss on ordinary activities | <u>3,878</u> | <u>234,284</u> |

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

| | 2018 £ | 2017 £ |
|--|--------------|----------------|
| Loss on ordinary activities before tax | (845,099) | (657,791) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%) | (160,569) | (126,602) |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 7,930 | 8,713 |
| Adjustments to tax charge in respect of prior periods | 3,878 | (26,498) |
| Non-taxable income | (3,828) | - |
| Income tax not deductible in prior year stats | - | (5,850) |
| Deferred tax not recognised | 145,597 | 407,907 |
| Other differences leading to a decrease in the tax charge | - | (29,563) |
| Transfer pricing adjustments | 10,870 | 6,177 |
| Total tax charge for the year | 3,878 | 234,284 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 on 6 September 2016. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

There is an unrecognised deferred tax asset of £487,000 (£360,000) which has not been recognised due to the likelihood that the losses will not be utilised in the foreseeable future.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Tangible fixed assets

| | Long-term leasehold property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------------------|---|-----------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | | | |
| At 1 January 2018 | 339,031 | 7,419,926 | 394,443 | 527,158 | 8,680,558 |
| Additions | - | 202,856 | 13,121 | 14,304 | 230,281 |
| Disposals | - | (125,656) | (802) | - | (126,458) |
| At 31 December 2018 | 339,031 | 7,497,126 | 406,762 | 541,462 | 8,784,381 |
| Depreciation | | | | | |
| At 1 January 2018 | 136,853 | 4,918,963 | 218,886 | 440,944 | 5,715,646 |
| Charge for the year on owned assets | 31,043 | 265,367 | 37,424 | 37,010 | 370,844 |
| At 31 December 2018 | 167,896 | 5,184,330 | 256,310 | 477,954 | 6,086,490 |
| Net book value | | | | | |
| At 31 December 2018 | 171,135 | 2,312,796 | 150,452 | 63,508 | 2,697,891 |
| At 31 December 2017 | 202,178 | 2,500,963 | 175,557 | 86,214 | 2,964,912 |

Net book value of assets held under finance lease is £1,545,000 (2017: £1,835,000)

12. Investments

| | Trade investments £ |
|---------------------|---------------------------|
| At 31 December 2018 | 35,350 |

BODDINGTONS PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Stocks

| | 2018 £ | 2017 £ |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables | 839,729 | 558,410 |
| Work in progress (goods to be sold) | 106,248 | 24,466 |
| Finished goods and goods for resale | 970,613 | 1,112,238 |
| | <u>1,916,590</u> | <u>1,695,114</u> |

There is no significant difference between the replacement cost of inventory and their carrying values.

Stocks are stated net of provisions for impairment of £nil (2017: £nil)

14. Debtors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 2,557,605 | 2,303,645 |
| Current tax | 16,269 | 24,319 |
| Prepayments and accrued income | 533,100 | 213,403 |
| | <u>3,106,974</u> | <u>2,541,367</u> |

Trade debtors are stated net of provision for impairment of £nil (2017: £30,000).

15. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| Trade creditors | 2,182,770 | 2,256,156 |
| Amounts owed to group undertakings | 1,893,004 | 40,074 |
| Corporation tax | 16,271 | - |
| Other taxation and social security | 326,817 | 405,141 |
| Obligations under finance lease and hire purchase contracts | 522,925 | 469,433 |
| Accruals and deferred income | 837,204 | 894,292 |
| | <u>5,778,991</u> | <u>4,065,096</u> |

Loans from associates are unsecured, at a fixed interest rate of 5.5% and repayable on demand.

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. Creditors: Amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Net obligations under finance leases and hire purchase contracts | 1,022,574 | 1,365,758 |
| | <u>1,022,574</u> | <u>1,365,758</u> |

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2018 £ | 2017 £ |
|---|------------------|------------------|
| No later than one year | 647,909 | 618,304 |
| Later than one year and not later than five years | 1,132,135 | 1,547,522 |
| Total gross payments | <u>1,780,044</u> | <u>2,165,826</u> |
| less: finance charges | (234,545) | (330,635) |
| Carrying amount of liability | <u>1,545,499</u> | <u>1,835,191</u> |

18. Deferred taxation

| | 2018 £ | 2017 £ |
|---------------------------|-----------|-----------|
| At beginning of year | - | 228,204 |
| Charged to profit or loss | - | (228,204) |
| At end of year | <u>-</u> | <u>-</u> |

19. Share capital

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Allotted, called up and fully paid | | |
| 147,200 (2017 - 147,200) Authorised, called up and fully paid shares of £1.00 each | <u>147,200</u> | <u>147,200</u> |

BODDINGTONS PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

20. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Land and buildings | - | - |
| Not later than 1 year | 485,559 | 485,559 |
| Later than 1 year and not later than 5 years | 1,746,396 | 1,942,236 |
| Later than 5 years | 3,783,858 | 4,370,031 |
| Total land and buildings | 6,015,813 | 6,797,826 |
| Other operating leases | - | - |
| Not later than 1 year | 100,484 | 105,661 |
| Later than 1 year and not later than 5 years | 118,947 | 75,122 |
| Later than 5 years | 8,795 | - |
| Total operating Leases | 228,226 | 180,783 |

21. Ultimate parent undertaking and controlling party

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Rubicon Partners Industries LLP, a limited liability partnership registered in England and Wales, is the ultimate parent undertaking and controlling party. The Rubicon Partners Industries LLP Group is both the smallest and largest group into which the company's financial statements are consolidated. Copies of the group Financial Statements for the ultimate parent undertaking may be obtained from the following address: The Secretary Rubicon Partners Industries LLP, 8-12 York Gate, London, NW1 4Q.