Company Registration No. 00949944 (England and Wales)

# PHILTON POLYTHENE CONVERTERS LIMITED

## UNAUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 5 APRIL 2017

## PAGES FOR FILING WITH REGISTRAR

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# PHILTON POLYTHENE CONVERTERS LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | ASP Tisi<br>CNF Aust |
| **Secretary** | VP M Tisi |
| **Company number** | 00949944 |
| **Registered office** | Charfleets Road<br>Charfleets Industrial Estate<br>Canvey Island<br>Essex<br>SS8 0PQ |
| **Accountants** | Rickard Luckin Limited<br>Aquila House<br>Waterloo Lane<br>Chelmsford<br>Essex<br>CM1 1BN |

# PHILTON POLYTHENE CONVERTERS LIMITED

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# PHILTON POLYTHENE CONVERTERS LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 5 APRIL 2017*

The directors present their annual report and financial statements for the year ended 5 April 2017.

**Principal activities**
The principal activity of the company continued to be that of manufacturing plastic packing goods.

**Directors**
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

ASP Tisi
CNF Aust

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

CNF Aust
**Director**
1 August 2017

# PHILTON POLYTHENE CONVERTERS LIMITED

## BALANCE SHEET

### *AS AT 5 APRIL 2017*

| | | 2017 | | 2016 | |
|---|---|---|---|---|---|
| | **Notes** | **£** | **£** | **£** | **£** |
| **Fixed assets** | | | | | |
| Tangible assets | **4** | | 19,396 | | 25,861 |
| Investments | **5** | | 1,065,061 | | 1,020,199 |
| | | | 1,084,457 | | 1,046,060 |
| **Current assets** | | | | | |
| Stocks | **7** | 233,919 | | 459,267 | |
| Debtors | **8** | 253,861 | | 353,574 | |
| Cash at bank and in hand | | 950,977 | | 726,902 | |
| | | 1,438,757 | | 1,539,743 | |
| **Creditors: amounts falling due within one year** | **9** | (111,897) | | (239,934) | |
| **Net current assets** | | | 1,326,860 | | 1,299,809 |
| **Total assets less current liabilities** | | | 2,411,317 | | 2,345,869 |
| **Provisions for liabilities** | **10** | | (3,603) | | (5,883) |
| **Net assets** | | | 2,407,714 | | 2,339,986 |
| **Capital and reserves** | | | | | |
| Called up share capital | | | 368 | | 368 |
| Other reserves | | | 3,106 | | 7,978 |
| Capital redemption reserve | | | 632 | | 632 |
| Profit and loss reserves | | | 2,403,608 | | 2,331,008 |
| **Total equity** | | | 2,407,714 | | 2,339,986 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 5 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

# PHILTON POLYTHENE CONVERTERS LIMITED

## BALANCE SHEET (CONTINUED)

### *AS AT 5 APRIL 2017*

The financial statements were approved by the board of directors and authorised for issue on 1 August 2017 and are signed on its behalf by:

ASP Tisi
**Director**

**Company Registration No. 00949944**

## 1 Accounting policies

**Company information**
Philton Polythene Converters Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charfleets Road, Charfleets Industrial Estate, Canvey Island, Essex, SS8 0PQ.

### 1.1 Accounting convention
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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

### 1.2 Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### 1.3 Turnover
Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.4 Research and development expenditure
Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

### 1.5 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Plant and machinery | 25% reducing balance |
| Fixtures, fittings & equipment | 25% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1 Accounting policies** **(Continued)**

### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies** **(Continued)**

**1.10 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

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

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1 Accounting policies** **(Continued)**

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2017 Number | 2016 Number |
|---|---|---|
| | 10 | 10 |

**2 Employees** **(Continued)**

Their aggregate remuneration comprised:

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 323,257 | 307,734 |
| Social security costs | 25,544 | 23,286 |
| Pension costs | 12,077 | 41,868 |
| | 360,878 | 372,888 |

**3 Directors' remuneration**

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Remuneration for qualifying services | 100,645 | 81,395 |
| Healthcare costs | 2,890 | 3,198 |
| Company pension contributions to defined contribution schemes | 7,020 | 37,020 |
| | 110,555 | 121,613 |

**4 Tangible fixed assets**

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 6 April 2016 and 5 April 2017 | 271,389 | 41,596 | 312,985 |
| **Depreciation and impairment** | | | |
| At 6 April 2016 | 247,913 | 39,211 | 287,124 |
| Depreciation charged in the year | 5,869 | 596 | 6,465 |
| At 5 April 2017 | 253,782 | 39,807 | 293,589 |
| **Carrying amount** | | | |
| At 5 April 2017 | 17,607 | 1,789 | 19,396 |
| At 5 April 2016 | 23,476 | 2,385 | 25,861 |

## 5 Fixed asset investments

| | Notes | 2017 £ | 2016 £ |
|---|---|---|---|
| Investments in subsidiaries | 6 | 2,000 | 2,000 |
| Listed investments | | 1,034,861 | 958,199 |
| Unlisted investments | | 28,200 | 60,000 |
| | | 1,065,061 | 1,020,199 |
| Listed investments carrying amount | | 1,034,861 | 958,199 |

**Movements in fixed asset investments**

| | Shares in group undertakings £ | Other investments other than loans £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 6 April 2016 | 2,000 | 1,018,199 | 1,020,199 |
| Additions | - | 598,293 | 598,293 |
| Valuation changes | - | 15,938 | 15,938 |
| Disposals | - | (537,569) | (537,569) |
| At 5 April 2017 | 2,000 | 1,094,861 | 1,096,861 |
| **Impairment** | | | |
| At 6 April 2016 | - | - | - |
| Impairment losses | - | 31,800 | 31,800 |
| At 5 April 2017 | - | 31,800 | 31,800 |
| **Carrying amount** | | | |
| At 5 April 2017 | 2,000 | 1,063,061 | 1,065,061 |
| At 5 April 2016 | 2,000 | 1,018,199 | 1,020,199 |

## 6 Subsidiaries

Details of the company's subsidiaries at 5 April 2017 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct | % Held Indirect |
|---|---|---|---|---|---|
| Isoliners Limited | United Kingdom | Dormant | Ordinary | 100.00 | |

## 7 Stocks

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Raw materials and consumables | 222,397 | 443,744 |
| Finished goods and goods for resale | 11,522 | 15,523 |
| | 233,919 | 459,267 |

## 8 Debtors

| | 2017 | 2016 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 215,236 | 292,860 |
| Corporation tax recoverable | - | 13,781 |
| Other debtors | 15,764 | 25,528 |
| Prepayments and accrued income | 22,861 | 21,405 |
| | 253,861 | 353,574 |

## 9 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Trade creditors | 69,855 | 213,431 |
| Corporation tax | 37,165 | - |
| Other taxation and social security | - | 10,261 |
| Other creditors | - | 9,772 |
| Accruals and deferred income | 4,877 | 6,470 |
| | 111,897 | 239,934 |

## 10 Provisions for liabilities

| | | 2017 | 2016 |
|---|---|---|---|
| | Notes | £ | £ |
| Deferred tax liabilities | | 3,603 | 5,883 |
| | | 3,603 | 5,883 |

## 11 Operating lease commitments

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £551,014. This amount represents £80,000 per annum.

## 12 Reconciliations on adoption of FRS 102

### Reconciliation of equity

| | | At 6 April 2015 | | | At 5 April 2016 | | |
|---|---|---|---|---|---|---|---|
| | Notes | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ | Previous UK GAAP £ | Effect of transition £ | FRS 102 £ |
| **Fixed assets** | | | | | | | |
| Tangible assets | | 27,215 | - | 27,215 | 25,861 | - | 25,861 |
| Investments | 1 | 935,202 | 153,608 | 1,088,810 | 1,000,454 | 19,745 | 1,020,199 |
| | | 962,417 | 153,608 | 1,116,025 | 1,026,315 | 19,745 | 1,046,060 |
| **Current assets** | | | | | | | |
| Stocks | | 352,304 | - | 352,304 | 459,267 | - | 459,267 |
| Debtors | | 263,898 | - | 263,898 | 353,574 | - | 353,574 |
| Bank and cash | | 890,934 | - | 890,934 | 726,902 | - | 726,902 |
| | | 1,507,136 | - | 1,507,136 | 1,539,743 | - | 1,539,743 |
| **Creditors due within one year** | | | | | | | |
| Taxation | | (6,977) | - | (6,977) | (10,261) | - | (10,261) |
| Other creditors | 2 | (97,289) | - | (97,289) | (219,901) | (9,772) | (229,673) |
| | | (104,266) | - | (104,266) | (230,162) | (9,772) | (239,934) |
| Net current assets | | 1,402,870 | - | 1,402,870 | 1,309,581 | (9,772) | 1,299,809 |
| Total assets less current liabilities | | 2,365,287 | 153,608 | 2,518,895 | 2,335,896 | 9,973 | 2,345,869 |
| **Provisions for liabilities** | | | | | | | |
| Deferred tax | 3 | (3,877) | (31,322) | (35,199) | (3,888) | (1,995) | (5,883) |
| Net assets | | 2,361,410 | 122,286 | 2,483,696 | 2,332,008 | 7,978 | 2,339,986 |
| **Capital and reserves** | | | | | | | |
| Share capital | | 368 | - | 368 | 368 | - | 368 |
| Other reserves | 1,2 | - | 122,286 | 122,286 | - | 7,978 | 7,978 |
| Capital redemption | | 632 | - | 632 | 632 | - | 632 |
| Profit and loss | | 2,360,410 | - | 2,360,410 | 2,331,008 | - | 2,331,008 |
| Total equity | | 2,361,410 | 122,286 | 2,483,696 | 2,332,008 | 7,978 | 2,339,986 |

**12 Reconciliations on adoption of FRS 102** **(Continued)**

**Reconciliation of loss for the financial period**

| | | Year ended 5 April 2016 | | |
|---|---|---|---|---|
| | | **Previous UK GAAP** | **Effect of transition** | **FRS 102** |
| | **Notes** | **£** | **£** | **£** |
| Turnover | | 1,707,025 | - | 1,707,025 |
| Cost of sales | | (1,369,754) | - | (1,369,754) |
| Gross profit | | 337,271 | - | 337,271 |
| Administrative expenses | | (435,612) | - | (435,612) |
| Interest receivable and similar income | | 31,825 | - | 31,825 |
| Amounts written off investments | | 48,257 | (143,635) | (95,378) |
| Loss before taxation | | (18,259) | (143,635) | (161,894) |
| Taxation | | 13,789 | 28,727 | 42,516 |
| Loss for the financial period | | (4,470) | (114,908) | (119,378) |

**Notes to reconciliations on adoption of FRS 102**

1. The listed investments were revalued to fair value as at 6 April 2015 and 5 April 2016. This resulted in a £133,863 impairment during the year ended 5 April 2016

2. A fair value hedge on US Dollars purchased in Euros was recognised at its fair value of £(9,772).

3. Deferred tax was calculated using the revalued listed investment amounts as well as the recognition of the hedge. This resulted in a liability of £1,994 as at 5 April 2016.