

**COMPANY REGISTRATION NO. 01145445 (England and Wales)**

**PERFORMANCE MASTERBATCHES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**PAGES FOR FILING WITH REGISTRAR**

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## PERFORMANCE MASTERBATCHES LIMITED

### COMPANY INFORMATION

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<b>Director</b>	Mr L Watts
<b>Secretary</b>	Mr L Watts
<b>Company number</b>	01145445
<b>Registered office</b>	Blaenant Industrial Estate Brynmaur Blaenau Gwent United Kingdom NP23 4BX
<b>Auditor</b>	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW
<b>Bankers</b>	Barclays Bank Plc 55 Beaumont Square Brynmaur Blaenau Gwent NP23 4XD

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# PERFORMANCE MASTERBATCHES LIMITED

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**PERFORMANCE MASTERBATCHES LIMITED**

**BALANCE SHEET**

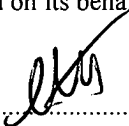
**AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	3		1,029,672		1,085,983
<b>Current assets</b>					
Stocks		812,053		535,819	
Debtors	4	1,362,913		1,068,625	
Cash at bank and in hand		145,059		153,291	
		<u>2,320,025</u>		<u>1,757,735</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(1,690,193)</u>		<u>(1,399,440)</u>	
<b>Net current assets</b>			<u>629,832</u>		<u>358,295</u>
<b>Total assets less current liabilities</b>			<u>1,659,504</u>		<u>1,444,278</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(420,307)		(529,086)
<b>Provisions for liabilities</b>			<u>(111,831)</u>		<u>(109,827)</u>
<b>Net assets</b>			<u><u>1,127,366</u></u>		<u><u>805,365</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		29,514		29,600
Share premium account			5,264		5,264
Capital redemption reserve			750		664
Profit and loss reserves			<u>1,091,838</u>		<u>769,837</u>
<b>Total equity</b>			<u><u>1,127,366</u></u>		<u><u>805,365</u></u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 24/10/17 and are signed on its behalf by:

  
 .....  
 Mr L Watts  
 Director

**Company Registration No. 01145445**

**PERFORMANCE MASTERBATCHES LIMITED**

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2015</b>		29,686	5,264	1,117	578	520,173	556,818
<b>Year ended 31 March 2016:</b>							
Profit and total comprehensive income for the year		-	-	-	-	454,347	454,347
Dividends		-	-	-	-	(55,800)	(55,800)
Redemption of shares	8	(86)	-	-	86	(150,000)	(150,000)
Transfers		-	-	(1,117)	-	1,117	-
<b>Balance at 31 March 2016</b>		29,600	5,264	-	664	769,837	805,365
<b>Year ended 31 March 2017:</b>							
Profit and total comprehensive income for the year		-	-	-	-	530,801	530,801
Dividends		-	-	-	-	(58,800)	(58,800)
Redemption of shares	8	(86)	-	-	86	(150,000)	(150,000)
<b>Balance at 31 March 2017</b>		29,514	5,264	-	750	1,091,838	1,127,366

# PERFORMANCE MASTERBATCHES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

#### Company information

Performance Masterbatches Limited is a private company limited by shares incorporated in England and Wales. The registered office is Blaenant Industrial Estate, Brynmawr, Blaenau Gwent, United Kingdom, NP23 4BX.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. Freehold properties are recorded at deemed cost on transition to FRS 102. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Performance Masterbatches Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102, other than that the company has elected to adopt the net book value of freehold property at transition as its 'deemed cost' on transition to FRS 102. Consequently £26,880 of accumulated depreciation brought forward at this date has been reclassified to cost brought forward.

#### 1.2 Turnover

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.

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Where goods are despatched prior to the year end then turnover is recognised within that financial year.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost or deemed cost on transition and subsequently measured at cost or deemed cost on transition, 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:

Freehold property	2% on cost
Plant and machinery	10% on cost and 25% on cost
Fixtures and fittings	10% on cost and 25% on cost
Motor vehicles	25% on cost

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.

## PERFORMANCE MASTERBATCHES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

(Continued)

##### 1.4 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.

##### 1.5 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### 1.6 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.

###### Deferred tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

## PERFORMANCE MASTERBATCHES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

(Continued)

##### 1.7 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.

##### 1.8 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### 1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

##### 1.11 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 44 (2016 - 42).



**PERFORMANCE MASTERBATCHES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**3 Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2016	413,120	2,223,153	191,904	110,029	2,938,206
Additions	5,963	59,065	1,147	37,660	103,835
Disposals	-	-	-	(29,491)	(29,491)
At 31 March 2017	419,083	2,282,218	193,051	118,198	3,012,550
<b>Depreciation and impairment</b>					
At 1 April 2016	11,836	1,581,344	183,173	75,870	1,852,223
Depreciation charged in the year	11,955	105,437	4,777	21,776	143,945
Impairment losses	-	16,200	-	-	16,200
Eliminated in respect of disposals	-	-	-	(29,490)	(29,490)
At 31 March 2017	23,791	1,702,981	187,950	68,156	1,982,878
<b>Carrying amount</b>					
At 31 March 2017	395,292	579,237	5,101	50,042	1,029,672
At 31 March 2016	401,284	641,809	8,731	34,159	1,085,983

The net book value at 1 April 2015, which was based on an independent valuation, has been adopted as 'deemed cost' on transition to FRS 102. This value is lower than historic cost.

**4 Debtors**

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,361,163	1,066,364
Other debtors	1,750	2,261
	1,362,913	1,068,625

**PERFORMANCE MASTERBATCHES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017****5 Creditors: amounts falling due within one year**

	2017 £	2016 £
Bank loans and overdrafts	114,090	206,276
Trade creditors	955,366	662,262
Corporation tax	17,573	12,251
Other taxation and social security	66,162	79,420
Other creditors	537,002	439,231
	<u>1,690,193</u>	<u>1,399,440</u>

Please refer to note 7 for details of security held over these liabilities.

**6 Creditors: amounts falling due after more than one year**

	2017 £	2016 £
Bank loans and overdrafts	352,992	416,605
Other creditors	67,315	112,481
	<u>420,307</u>	<u>529,086</u>

Please refer to note 7 for details of security held over these liabilities.

**7 Loans and overdrafts**

	2017 £	2016 £
Bank loans	423,418	487,032
Bank overdrafts	43,664	135,849
Invoice discounting liability	359,274	219,986
Other loans	-	65,965
	<u>826,356</u>	<u>908,832</u>
Payable within one year	473,364	446,311
Payable after one year	<u>352,992</u>	<u>462,521</u>

**PERFORMANCE MASTERBATCHES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**7 Loans and overdrafts**

**(Continued)**

Bank loans and overdrafts are secured on a charge over land at Blaenant Industrial Estate, Brynmawr, Gwent on the Bank's standard form dated 12/10/1983 and a debenture on the Bank's standard form dated 27/01/1983. There is a limited guarantee given by DTI for £306,000 dated 03/12/2013.

Other loans of £nil (2016: £20,049) due within one year and £nil (2016: £45,916) due after more than one year are included within other creditors. These are secured by a second charge over the assets of the company.

Also included within other creditors due within one year is an invoice discounting liability of £359,274 (2016: £219,986) which is secured against the related trade debtors.

Hire purchase liabilities of £28,386 (2016: £30,819) due within one year and £28,865 (2016: £33,840) due after more than one year are included within other creditors. There are secured against the assets to which they relate.

The company has two bank loans which are repayable in full by 28 January 2019 and 28 January 2021. Interest is being charged on these loans at 3.00% and 3.75% over the Barclays Bank PLC base rate respectively.

**8 Called up share capital**

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50 Ordinary of £1 each	50	136
5,264 Ordinary class A of £1 each	5,264	5,264
24,200 Ordinary class B of £1 each	24,200	24,200
	<u>29,514</u>	<u>29,600</u>

**Reconciliation of movements during the year:**

	Ordinary Number	Ordinary A Number	Ordinary B Number
At 1 April 2016	136	5,264	24,200
Repurchase and cancellation of own shares	(86)	-	-
	<u>50</u>	<u>5,264</u>	<u>24,200</u>
At 31 March 2017	<u>50</u>	<u>5,264</u>	<u>24,200</u>

On 17 February 2017 the company purchased a further 86 of the issued ordinary shares for consideration of £150,000 in accordance with the agreement reached in 2014. No further shares will be purchased in relation to this transaction.

**9 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444 (5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mr John Griffiths.

The auditor was UHY Hacker Young.

**PERFORMANCE MASTERBATCHES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**10 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017	2016
£	£
12,763	3,815
<u>12,763</u>	<u>3,815</u>

**11 Related party transactions**

Mr L Watts, director and shareholder, has made a loan to the company. The balance outstanding at the year end was £nil (2016: £7,236), this balance being included within other creditors due within one year.

Dividends of £58,800 (2016: £55,800) were paid to Mr L Watts during the year.

On 17 February 2017 the company purchased 86 ordinary shares from Mr P Taylor and Mr F V Dean for £150,000.