

COMPANIES  
HOUSE

**BNL (UK) Limited**

**Directors' report and financial  
statements**

**Registered number 02668025**

**31 March 2012**

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COMPANIES HOUSE

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## **Company information**

### **Directors**

F J Rahmatallah  
N Ball  
P G Wood  
D S Mansfield

### **Secretary**

N Ball

### **Registered office**

St Mary's House  
42 Vicarage Crescent  
London  
SW11 3LD

### **Registered number**

02668025 (England and Wales)

### **Auditor**

KPMG Audit Plc  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

### Statement of compliance

To comply with the Companies Act, the company provides below a review of the development and performance of the business during the year, including key financial performance indicators, and a description of the principal risks and uncertainties facing the company

The business review contains forward looking statements and opinions that involve risks and uncertainties. These risks and uncertainties could cause our results to differ materially from our expectations. The principal risk factors are discussed more below

### Principal activity and review of the business

The principal activity of the company ("BNL") is the design, moulding and manufacture of plastic bearings and associated assemblies. Operating in a global marketplace, BNL supplies a variety of blue-chip OEMs worldwide, both direct and via its subsidiary companies

The retained loss for the year amounted to £281,975 (2011 profit of £745,856)

The loss for the year ended 31 March 2012 was disappointing but not unexpected, as the fall in sales experienced in the year resulted from the delayed effect of the recession. However, a return to profitability is expected as a result of significant growth in sales orders which will impact turnover over the coming years and the continued management of costs

BNL continues to develop and enhance its existing product range and to strengthen its ability to satisfy its customers and deliver value to their operations in both a secure and safe manner. The directors believe that the company is well positioned to take advantage of continued opportunities going forward

### Principal risks and uncertainties

The Company operates in a changing and challenging economic environment that presents numerous risks, many of which are driven by factors that we cannot control or which are difficult to predict. The key risks and uncertainties facing the business are

- I Adverse currency movements impacting profitability-* The Company invoices customers in several different currencies, including Sterling, Euro, US Dollars, and Japanese Yen. Similarly, the Company's costs are paid in several different currencies. As a result, the Company is subject to foreign currency exchange risk. The Directors believe that these costs are mitigated by the fact that the Company tries to match sales and costs in terms of currencies. The remaining risk of exchange rate fluctuation is mitigated in the near term through borrowings and currency forwards and options managed by Plastics Capital Trading Limited, (the Company's parent undertaking)
- II General economic conditions-* A factor affecting the demand for the Company's product range, both globally and regionally, is the general level of economic growth. Accordingly, the demand for the Company's product range is likely to be adversely affected by any further economic slowdown, which could have a material adverse effect on the profitability of the business
- III Bad Debt Risk-* There is a risk that the Company is exposed to bad debts particularly as it sells to a number of different end markets and countries. To mitigate this risk, the Company had trade credit insurance in place throughout the period. Subsequent to the year end management have reviewed this cover and have decided against renewing the policy. Instead management have made an assessment of each customer to determine what level of internal credit should be given based on previous trading history, the current financial information available and external credit reports. The level of bad debt experienced to date has been very low
- IV Intellectual property rights-* The Company's success depends in part on its ability to protect its intellectual property. The Company therefore relies on a portfolio of intellectual property rights to protect its intellectual property
- V Reputation –* The Company operates in markets where the maintenance of its reputation and quality of its services and personnel are vital to the continued success of the business

The Board has strategies to manage these risks and remains confident of the continued success of BNL (UK) Limited

## **Directors' Report** *(continued)*

### **Future prospects**

The Board is confident about the future prospects for BNL as it is well established and has a sustainable competitive position in a variety of growing markets, even in light of the recent economic slowdown. The underlying performance of BNL remains strong and the Company is expected to grow and further strengthen in the future.

### **Directors**

The directors who held office during the year were as follows

F J Rahmatallah

Dr N K Partlett (resigned 31 October 2011)

A Nagwaney (resigned 31 October 2011)

N M Ball (appointed 31 October 2011)

P G Wood (appointed 31 October 2011)

D S Mansfield (appointed 3 January 2012)

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



**P G Wood**  
*Director*

St Mary's House  
42 Vicarage Crescent  
London  
SW11 3LD

14 November 2012

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG Audit Plc

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

### **Independent auditor's report to the members of BNL (UK) Limited**

We have audited the financial statements of BNL (UK) Limited for the year ended 31 March 2012 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of BNL (UK) Limited**  
(continued)

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

A J Sills

**A J Sills (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

21 November 2012



**Profit and loss account**  
*for the year ended 31 March 2012*

	<i>Note</i>	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
<b>Turnover</b>	<b>2</b>	<b>10,779,582</b>	<b>11,176,563</b>
Cost of sales		<b>(8,253,120)</b>	<b>(6,557,855)</b>
<b>Gross profit</b>		<b>2,526,462</b>	<b>4,618,708</b>
Distribution costs		<b>(1,186,090)</b>	<b>(1,516,781)</b>
Administrative expenses <i>(including exceptional costs of £nil (2011 £31,211))</i>		<b>(1,927,449)</b>	<b>(2,244,529)</b>
<b>Operating (loss)/profit</b>		<b>(587,077)</b>	<b>857,398</b>
Interest receivable and similar income	<b>7</b>	<b>113</b>	<b>72,368</b>
Interest payable and similar charges	<b>8</b>	<b>(60,532)</b>	<b>(67,025)</b>
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>3</b>	<b>(647,496)</b>	<b>862,741</b>
Tax on ordinary activities	<b>9</b>	<b>365,521</b>	<b>(116,885)</b>
<b>(Loss)/profit for the financial year</b>	<b>20</b>	<b>(281,975)</b>	<b>745,856</b>

All results relate to continuing operations

There are no recognised gains or losses other than the retained (loss)/profit noted above in the current and preceding years

Reconciliation of movements on shareholder's funds is shown in note 20

The notes on pages 9 to 21 form part of these financial statements

**Balance sheet**  
**at 31 March 2012**

	<i>Note</i>	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
<b>Fixed assets</b>			
Intangible assets	10	1,363,874	1,274,341
Tangible assets	11	1,393,901	1,574,216
Investments	12	2,555,517	2,555,517
		<hr/>	<hr/>
		5,313,292	5,404,074
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks	13	440,397	468,972
Debtors	14	3,091,922	2,744,139
Cash at bank and in hand		727,960	360,038
		<hr/>	<hr/>
		4,260,279	3,573,149
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	15	(1,201,827)	(1,736,934)
		<hr/>	<hr/>
<b>Net current assets</b>		3,058,452	1,836,215
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		8,371,744	7,240,289
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	16	(3,318,032)	(1,904,602)
		<hr/>	<hr/>
<b>Net assets</b>		5,053,712	5,335,687
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	18	3,389,113	3,389,113
Share premium account	19	40,888	40,888
Capital redemption reserve	19	1,000	1,000
Profit and loss account	19	1,622,711	1,904,686
		<hr/>	<hr/>
<b>Shareholder's funds</b>	20	5,053,712	5,335,687
		<hr/>	<hr/>

These financial statements were approved by the directors on the 14 November 2012 and are signed on their behalf by



**P G Wood**  
*Director*

The notes on pages 9 to 21 form part of these financial statements

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

#### ***Going concern***

The company has financial resources together with a number of customers and suppliers across different industries and geographies. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### ***Cash flow statement***

The company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) Cash Flow Statements, not to prepare a cash flow statement as the company is included within the consolidated accounts of its ultimate parent undertaking, Plastics Capital plc.

#### ***Related party transactions***

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties that are part of the Plastics Capital plc group.

#### ***Turnover***

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of value added tax.

#### ***Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

##### Plant and machinery

- moulding tools	20%
- general	10%

Expenditure on moulding tools is capitalised net of contributions received from customers. Where the cost is less than £1,000 the expenditure is written off directly to the profit and loss account.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Stock**

Stock is stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows

▪ Raw materials and goods for resale	-	Purchase cost on a first-in, first-out basis
▪ Work in progress and finished goods	-	Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

#### **Investments**

Investments in subsidiary undertakings are stated at cost less impairment

#### **Goodwill**

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

#### **Research and development**

Expenditure on research is written off to the profit and loss account in the year in which it is incurred and developments costs were previously written off.

Following improvements in the company's processes and systems for tracking development expenditure, qualifying development costs have been capitalised for the first time this year. The development costs will be amortised over a period of 5 years from the date production of the product commences. No amortisation has been charged this year in respect of these costs.

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### **Foreign currencies**

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

#### **Leases**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## Notes (continued)

### 2 Analysis of turnover

An analysis of turnover by geographical market is given below. A further detailed division of the overseas element of turnover has not been provided as the directors consider that its disclosure would be seriously prejudicial to the interests of the company.

	2012 £	2011 £
United Kingdom	931,372	1,074,069
Overseas	9,848,210	10,102,494
	<u>10,779,582</u>	<u>11,176,563</u>

### 3 Profit/ (Loss) on ordinary activities before taxation

	2012 £	2011 £
This is stated after charging		
Auditors remuneration for the		
Audit of these financial statements	10,000	10,000
Audit of financial statements of subsidiaries pursuant to legislation	2,000	2,000
Depreciation of owned fixed assets	385,659	346,656
Goodwill amortisation	78,623	78,623
Rentals payable under operating leases		
Hire of plant and machinery	43,402	45,234
Other assets	180,000	180,000
	<u>                    </u>	<u>                    </u>

### 4 Exceptional costs

There were no exceptional costs for the current year. In the prior year exceptional costs of £31,211 were included within administrative expenses and represented the costs related to redundancies & costs associated with the one-off transfer of tools to a subsidiary undertaking in Thailand.

### 5 Remuneration of directors

	2012 £	2011 £
Directors' emoluments	187,191	131,449
Company contributions to money purchase pension schemes	42,045	23,065
	<u>229,236</u>	<u>154,514</u>
	<u>                    </u>	<u>                    </u>
	2012 £	2011 £
Highest paid director		
Directors' emoluments	90,512	131,449
Company contributions to money purchase pension schemes	37,580	23,065
	<u>128,092</u>	<u>154,514</u>
	<u>                    </u>	<u>                    </u>

## Notes (continued)

### 5. Remuneration of directors (continued)

	2012 No.	2011 No
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	1	1

### 6 Staff costs

	2012 £	2011 £
Wages and salaries	2,775,989	2,759,875
Social security costs	298,342	278,133
Other pension costs	102,969	104,891
	<u>3,177,300</u>	<u>3,142,899</u>

The average weekly number of employees during the year was (excluding directors) as follows

	2012 No.	2011 No
Production	66	69
Administration	8	8
Sales and distribution	19	19
	<u>93</u>	<u>96</u>

### 7 Interest receivable

	2012 £	2011 £
Bank interest	113	221
Exchange gains on foreign currency borrowings	-	72,147
	<u>113</u>	<u>72,368</u>

## Notes (continued)

### 8 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	18,226	22,143
Inter-company interest payable on loan from parent company	38,568	44,882
Exchange losses on foreign currency borrowings	3,738	
	<u>60,532</u>	<u>67,025</u>

### 9 Tax on ordinary activities

#### Analysis of tax charge/ (credit) in year

	2012 £	2011 £
<i>Current taxation</i>		
Current period	(353,372)	68,000
Adjustments in respect of prior years	<u>(50,585)</u>	<u>(14,115)</u>
Current taxation	(403,957)	53,885
<i>Deferred tax</i>		
Origination/reversal of timing differences	45,676	78,000
Change in tax rate	10,520	15,000
Adjustment in respect of prior years	<u>(17,760)</u>	<u>(30,000)</u>
	38,436	63,000
Tax charge/ (credit) on profit on ordinary activities	<u>(365,521)</u>	<u>116,885</u>

## Notes (continued)

### 9 Tax on ordinary activities (continued)

#### Factors affecting the tax charge for the current period

The current tax credit for the period is higher (2011 charge is lower) than the standard rate of corporation tax in the UK of 26% (2011 28%). The differences are explained below

	2012 £	2011 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(647,496)	862,741
Current tax (credit)/charge at 26% (2011 28%)	(168,349)	241,567
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	22,014
Losses carried forward / utilisation of losses	6,693	(21,000)
Non-taxable income	-	(48,581)
Fixed asset timing differences	(3,040)	(120,000)
Rate difference on current period deferred tax movement	(45,676)	(6,000)
Adjustments to tax charge in respect of previous periods	(50,585)	(14,115)
R&D relief	(143,000)	
Total current tax (credit)/charge current tax charge	(403,957)	53,885

The elements of deferred taxation are as follows

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	(79,496)	(117,932)
Deferred tax asset	(79,496)	(117,932)

The deferred tax asset is included in other debtors



## Notes (continued)

### 10 Intangible assets

			£
	Goodwill £	Development costs £	Total £
<b>Cost</b>			
At 1 April 2011	1,572,453	-	1,572,453
Additions in the year	-	168,156	168,156
At 31 March 2012	1,572,453	168,156	1,740,609
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 31 March 2011	298,112	-	298,112
Charge for the year	78,623	-	78,623
At 31 March 2012	376,735	-	376,735
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2012	1,195,718	168,156	1,363,874
	<hr/>	<hr/>	<hr/>
At 31 March 2011	1,274,341	-	1,274,341
	<hr/>	<hr/>	<hr/>

On 4 April 2007 the assets and liabilities of Cobb Slater Limited were acquired by BNL (UK) Limited. On 15 June 2007 the stock and fixed assets were transferred to BNL (UK) Limited via a hive up. The investment value of £1,572,453 was deemed to be attributable entirely to goodwill.

The Directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The period over which goodwill is amortised is 20 years, which is the Directors' estimate of its useful economic life.

The additions in the year are qualifying development costs which the company has started to capitalise this year. The development costs will be amortised over a period of 5 years from the date production of the product commences. No amortisation has been charged this year in respect of these costs.

## Notes (continued)

### 11 Tangible fixed assets

	Plant and machinery £	Total £
<b>Cost</b>		
At beginning of year	7,531,797	7,531,797
Additions	347,765	347,765
Disposals	(162,720)	(162,720)
	<hr/>	<hr/>
At end of year	7,716,842	7,716,842
	<hr/>	<hr/>
<b>Depreciation</b>		
At beginning of year	5,957,581	5,957,581
Charge for the year	385,659	385,659
Disposals	(20,299)	(20,299)
	<hr/>	<hr/>
At end of year	6,322,941	6,322,941
	<hr/>	<hr/>
<b>Net book value</b>		
At 31 March 2012	1,393,901	1,393,901
	<hr/>	<hr/>
At 31 March 2011	1,574,216	1,574,216
	<hr/>	<hr/>

## Notes (continued)

### 12 Investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost</b>			
At 1 April 2011 and 31 March 2012	1,600,196	960,321	2,560,517
<b>Provisions</b>			
At 1 April 2011 and 31 March 2012	(5,000)	-	(5,000)
<b>Net book value</b>			
At 31 March 2012	1,595,196	960,321	2,555,517
At 31 March 2011	1,595,196	960,321	2,555,517

BNL (UK) Limited's subsidiary undertakings at 31 March 2012 were as follows

	Percentage ownership	Country of incorporation	Principal activity
BNL (USA) Inc	100% of ordinary shares	USA	Marketing thermoplastic bearing assemblies
BNL (Japan) Inc	100% of ordinary shares	Japan	Marketing thermoplastic bearing assemblies
Cobb Slater Limited	100% of ordinary shares	UK	Dormant
BNL (Thailand) Limited	100% of ordinary shares	Thailand	Manufacturer of thermoplastic bearing assemblies
Cobb Slater Instruments Company Limited	100% of ordinary shares	UK	Dormant
Value Bonus Limited	100% of ordinary shares	UK	Dormant

### 13 Stocks

	2012 £	2011 £
Raw materials and consumables	189,295	224,025
Work in progress	161,553	148,297
Finished goods and goods for resale	89,549	96,650
	<u>440,397</u>	<u>468,972</u>

## Notes (continued)

### 14 Debtors

	2012 £	2011 £
Trade debtors	1,086,462	1,413,577
Amounts owed by group undertakings	1,669,009	976,578
Other debtors	176,573	160,291
Prepayments and accrued income	159,878	193,693
	<u>3,091,922</u>	<u>2,744,139</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

### 15 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank Loans	156,711	141,782
Trade creditors	653,831	682,676
Other taxes and social security	77,540	69,964
Accruals and deferred income	313,745	545,218
Corporation tax	-	297,294
	<u>1,201,827</u>	<u>1,736,934</u>

### 16 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	3,318,032	1,738,403
Bank loan	-	166,199
	<u>3,318,032</u>	<u>1,904,602</u>

## Notes (continued)

### 17 Borrowings

Debt can be analysed as falling due

	2012 £	2011 £
In one year or less	156,711	141,782
Between one and two years	-	166,199
	<u>156,711</u>	<u>307,981</u>

The loan bears an interest rate of 7.8% and is secured against the moulding machines that the loan was taken out to purchase

### 18 Share capital

	Allotted, called up and fully paid 2012 £	2011 £
Redeemable preference shares of £1 each	1,583,921	1,583,921
Ordinary shares of £1 each	1,798,000	1,798,000
'A' Ordinary shares of £0.10 each	7,192	7,192
	<u>3,389,113</u>	<u>3,389,113</u>

#### 'A' ordinary shares

The 'A' ordinary shares have the same voting rights as the ordinary shares. The 'A' ordinary shares have the same rights as the ordinary shares on return of assets on liquidation or capital reduction.

#### Preference shares

The redeemable preference shares can be redeemed at par by the company on giving notice to the holders of the shares in accordance with the company's articles of association. On a winding up the holders of the redeemable preference shares have priority over the other shareholders to receive an amount equal to the subscription price paid per share. The holders have no voting rights. The profits of the company which are available for distribution shall be applied firstly in paying dividends to the holders of the redeemable preference shares unless they agree to pay dividends to the ordinary shareholders.

## Notes (continued)

### 19 Reserves

	Share capital £	Share premium account £	Capital Redemption reserve £	Profit and loss account £	Total £
At beginning of year	3,389,113	40,888	1,000	1,904,686	5,335,687
Loss for the year	-	-	-	(281,975)	(281,975)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	<u>3,389,113</u>	<u>40,888</u>	<u>1,000</u>	<u>1,622,711</u>	<u>5,053,712</u>

### 20 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
(Loss)/profit for the year	(281,975)	745,856
	<hr/>	<hr/>
Net (reduction to)/addition in shareholder's funds	(281,975)	745,856
Opening shareholder's funds	5,335,687	4,589,831
	<hr/>	<hr/>
Closing shareholder's funds	<u>5,053,712</u>	<u>5,335,687</u>

### 21 Pension commitments

The company operates defined contribution pension schemes. The assets of these schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £102,969 (2011 £104,891).

## Notes (continued)

### 22 Operating lease commitments

At 31 March 2012 the company has annual commitments under non-cancellable operating leases as set out below

	2012 £	2011 £
Operating leases which expire		
within one year	9,564	10,841
within two to five years	19,707	28,194
more than five years	186,499	180,000
	<hr/>	<hr/>
	215,770	219,035
	<hr/>	<hr/>

### 23 Contingent liability

On 22 June 2011, the Company's ultimate parent company Plastics Capital plc refinanced its banking facilities with Barclays Corporate. As a result the Company has now given a charge over its assets in favour of Barclays Corporate. The amount of loans outstanding at the year end was £12,540,000 (22 June 2011 £14,000,000)

### 24 Ultimate parent company and parent undertaking of the only group of which the company is a member

The ultimate parent company is Plastics Capital plc, incorporated in England. The immediate parent company is Plastics Capital Trading Limited, incorporated in England.

The only group in which the results of the company are consolidated is that headed by Plastics Capital plc. The consolidated accounts of this company are available from Companies House, Crown Way, Maindy, Cardiff.