REGISTERED NUMBER: 02767596 (England and Wales)

# GENERAL ALL PURPOSE PLASTICS LIMITED

## STRATEGIC REPORT, DIRECTORS' REPORT AND

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MAY 2021

# CONTENTS OF THE FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31 MAY 2021

# COMPANY INFORMATION
## FOR THE YEAR ENDED 31 MAY 2021

| | |
|---|---|
| **DIRECTORS:** | S D Bird<br>A D Greensmith<br>B J Elmer<br>T J J Walsh<br>P R Sharrock<br>D Cavanagh |
| **SECRETARY:** | A D Greensmith |
| **REGISTERED OFFICE:** | Partnership Way<br>Shadsworth Business Park<br>Blackburn<br>Lancashire<br>BB1 2QP |
| **REGISTERED NUMBER:** | 02767596 (England and Wales) |
| **AUDITORS:** | Rushtons<br>Chartered Accountants<br>Statutory Auditors<br>Shorrock House<br>1 Faraday Court<br>Fulwood<br>Preston<br>Lancashire<br>PR2 9NB |
| **BANKERS:** | Barclays Bank plc<br>Level 1<br>3 Hardman Street<br>Manchester<br>M3 3AX |

## COMPANY INFORMATION
## FOR THE YEAR ENDED 31 MAY 2021

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|---|---|
| **SOLICITORS:** | BSS Law (Formerly Zatman & Co.)<br>First Floor, The Edge<br>Crown Street<br>Manchester<br>M3 5NA |

## STRATEGIC REPORT
## FOR THE YEAR ENDED 31 MAY 2021

The directors present their Strategic Report on the company for the year ended 31 May 2021.

**PRINCIPAL ACTIVITIES**
The principal activity of the company is the manufacture distribution of PVCu building products together with the manufacture and distribution of composite doors under the "Rockdoor" brand and the manufacture and distribution of PVCu Windows.

**REVIEW OF BUSINESS**
Firstly, the Directors would like to acknowledge and thank all of our dedicated employees during what has been an unprecedented period. Our employees were critical to the resilient performance of the Group over the past year and their knowledge, expertise and passion are what makes GAP a market-leading business and will drive its future success. With the return of the founders in the day to day running, staff have been empowered and trusted which they have repaid in bucketloads.

The year ended 31 May 2021 has seen an increase in turnover of 36% (2020: -5%), 2020 was impacted by Covid-19 lockdown which resulted in the complete closure of the entire manufacturing facilities and depot network. However in 2021 the depot network was reopened in June and saw an increased demand across the range of products and this has continued throughout the year.

During 2021 there has been continual pressures across the supply chain and this has resulted in increases in material prices which has put pressure on the obtainable margin. However measures have been put in place to minimise the impact on profitability.

The profit for the year, after taxation, amounted to £13,188,008 (2020 loss: £5,924,898).

This increased demand seen since June 2020 has allowed the company to strengthen its balance sheet and cash position throughout the year which has enabled investment in all areas of the business which will facilitate growth in all markets.

## PRINCIPAL RISKS AND UNCERTAINTIES

The company manages its financial risk in five broad categories:

### Market conditions

General All Purpose Plastics Limited ("GAP") products are targeted at an array of applications within the building sector as well as all business and consumer types. As a result demand is dependent on activity levels in these respective segments, which vary geographically and are subject to the usual drivers of economic activity (i.e. general economic conditions and volatility, interest rates, business/consumer confidence levels, unemployment, construction levels etc.). While these drivers are inherently cyclical, the exposure to the cyclicality of any market is partially mitigated by the company's diversification, both geographically and by product.

### Competitive pressures

GAP continually faces competition in each of the markets in which it has a presence. The competitive environment in any one market is a function of a number of factors including the number of competitors, production capacity, the economic/demand characteristics of that market, the ease of imports from third countries and the availability of substitute products. This is mitigated by via continual focus on quality and looking to increase production capacity via our large investment in fixed assets.

### Customer credit risk

As part of the overall service package GAP provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances. GAP has established procedures and credit control policies around managing its receivables and takes action where necessary. All major outstanding and overdue balances together with significant potential exposures are reviewed regularly by senior management.

### Human Resources

People and teams and talent management are an integral part of GAP's business and are key to continuing progress at the company. The company attracts and retains its people through provision of on-going opportunity for career progress, training initiatives and continually identifying emerging managers and leaders within the company.

### Funding and liquidity risks

To manage the working capital needs of the business and to finance the company's expansion plans, the company is reliant on being able to arrange and maintain sufficient financing and to comply with their conditions once established which are currently being easily met by the company's positive operating cash flows. Management will carefully monitor the impact of Brexit and of decisions that might be taken going forward, on expected cash flows, interest rates and covenant compliance.

## STRATEGIC REPORT
## FOR THE YEAR ENDED 31 MAY 2021

**SECTION 172(1) STATEMENT**

The board of Directors of GAP Ltd consider they have acted in a way they consider in good faith, would be most likely to promote the success of the company for the benefit of its members and shareholders. These duties are set out in section 172 of the UK Companies Act 2006.

The Directors have regard to the following matters:
- The likely consequence of any decisions in the long term
- The interests of the company's employees
- The need to foster company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between shareholders of the company.

The following summarises how the Directors fulfil their duties:

**Employees**

People are at the centre of our business and to be a successful business we need to manage performance and develop our employees. We share common values that inform our people and guide behaviour, so our goals can be achieved. We aim to be a responsible employer in our approach to pay and benefits our employees receive. The health and safety of our employees is one key factor when making business decisions.

**Business Relationships**

Our strategy is to grow our business by increasing sales to existing customers and bringing new customers to the company. For this to be successful we need to create and maintain strong customer relationships. We have strong relationships with our suppliers and many have contracts in place to ensure supply and prices are maintained.

**KEY PERFORMANCE INDICATORS**

The principle key performance indicators ("KPIs") which are monitored by the directors include rate of growth, profitability and cash flow derived from operating activities. These have been discussed in the Business Review above. Alongside financial KPIs the directors also monitor the following in relation to employees and the environment:

- Waste management
- Energy consumption
- Legal compliance
- Employee turnover
- Absence (short and long term)
- Covid absence

**STRATEGIC REPORT**
**FOR THE YEAR ENDED 31 MAY 2021**

**FUTURE DEVELOPMENTS**
Further expansion of the business will continue with the investment in production capacity and will look to expand the in-house manufacturing capabilities alongside expanding the depot network throughout the UK.

The directors have agreed a strategic plan for the business which is updated annually and discussed at regular meetings during the year. The management team have been party to this plan and incentivised to ensure the strategy is executed in a timely manner.

The directors are satisfied at the date of this report with the progress made and that management are in a suitable position to support the proposed growth. The financial performance is considered to be in line with the proposed strategy.

**ON BEHALF OF THE BOARD:**

A D Greensmith - Director

17 February 2022

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 MAY 2021

The directors present their annual report together with the audited financial statements of General All Purpose Plastics Limited for the year ended 31 May 2021. The Strategic report discloses uncertainties, future developments, financial risk management and subsequent events.

## DIVIDENDS
The profit for the year, after taxation, amounted to £13,188,008 (2020 Loss: £5,924,898).

The directors have declared a dividend of £5,125,000 (2020: £Nil) in the year.

## DIRECTORS
The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

S D Bird
A D Greensmith
B J Elmer

Other changes in directors holding office are as follows:

T J J Walsh - appointed 20 July 2020
P R Sharrock - appointed 20 July 2020
D Cavanagh - appointed 20 July 2020

## GOING CONCERN
After making enquiries, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. See note 1 Accounting Policies for details on the going concern basis of preparation of the financial statements.

## GREENHOUSE GAS EMISSIONS
The group activities resulted in the consumption of 2,501 tonnes of carbon dioxide during the year in the delivery of products.

In addition, 14,464,155 kWh of electricity and gas for its own use, primarily for purchasing goods and providing heating and lighting to its premises. The directors continue to monitor the usage of energy and look for opportunities to reduce the carbon footprint where possible.

Taking into account the usage, the directors have calculated an average intensity ration of 46 based on tonnes of $CO_2$ per £m of sales.

**EMPLOYEE INVOLVEMENT**
During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

**DISABLED EMPLOYEES**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

**AUDITORS**
In the case of each of the persons who are directors of the company at the date when the report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Reappointment of auditor**

During the year Rushtons Chartered Accountants & Business Advisers expressed their willingness to continue in office as auditor of the company.

**ON BEHALF OF THE BOARD:**

A D Greensmith - Director

17 February 2022

## DIRECTORS' RESPONSIBILITIES STATEMENT
## FOR THE YEAR ENDED 31 MAY 2021

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting 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 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GENERAL ALL PURPOSE PLASTICS LIMITED

**Opinion**
We have audited the financial statements of General All Purpose Plastics Limited (the 'company') for the year ended 31 May 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**
The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Directors' Report and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

**Responsibilities of directors**
As explained more fully in the Directors' Responsibilities Statement set out on page nine, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Identifying and assessing potential risks related to irregularities**
In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including tax, valuations, pensions, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud, and;
- Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the company, including the General Data Protection requirements, Anti-bribery and corruption policies and Environmental laws and regulations pertaining to this industry.

**Audit response to risks identified**
As a result of performing the above procedures, we did not identify any key audit matters related to the potential risk of fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

In addition to the above, our procedures to respond to risks identified included the following:
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, and in-house legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Reading available minutes of meeting of those charged with governance, reviewing internal audit reports and correspondence with regulators.

Addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Use of our report**
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 a Report of the Auditors 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.

Adam Calvert ACA (Senior Statutory Auditor)
for and on behalf of Rushtons
Chartered Accountants
Statutory Auditors
Shorrock House
1 Faraday Court
Fulwood
Preston
Lancashire
PR2 9NB

17 February 2022

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2021

| | Notes | 2021 £ | 2020 £ |
|---|---|---|---|
| **TURNOVER** | 2 | 119,785,079 | 87,736,435 |
| Cost of sales | | 66,365,869 | 54,405,913 |
| **GROSS PROFIT** | | 53,419,210 | 33,330,522 |
| Administrative expenses | | 38,421,330 | 40,498,449 |
| | | 14,997,880 | (7,167,927) |
| Other operating income | | 1,758,390 | 2,405,135 |
| **OPERATING PROFIT/(LOSS)** | 4 | 16,756,270 | (4,762,792) |
| Amounts written off investments | 6 | - | 72,692 |
| | | 16,756,270 | (4,835,484) |
| Interest payable and similar expenses | 7 | 637,810 | 1,376,983 |
| **PROFIT/(LOSS) BEFORE TAXATION** | | 16,118,460 | (6,212,467) |
| Tax on profit/(loss) | 8 | 2,930,452 | (287,569) |
| **PROFIT/(LOSS) FOR THE FINANCIAL YEAR** | | 13,188,008 | (5,924,898) |

The notes form part of these financial statements

## BALANCE SHEET
## 31 MAY 2021

| | Notes | 2021 £ | 2021 £ | 2020 £ | 2020 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | | 13,738,882 | | 14,686,012 |
| Tangible assets | 11 | | 9,611,633 | | 10,590,573 |
| Investments | 12 | | 321 | | 321 |
| | | | 23,350,836 | | 25,276,906 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 13 | 16,510,898 | | 12,238,879 | |
| Debtors | 14 | 12,696,804 | | 7,384,705 | |
| Cash at bank | | 10,753,091 | | 6,974,439 | |
| | | 39,960,793 | | 26,598,023 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 15 | 37,427,635 | | 25,589,085 | |
| **NET CURRENT ASSETS** | | | 2,533,158 | | 1,008,938 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 25,883,994 | | 26,285,844 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 16 | | (9,736,597) | | (17,072,019) |
| **PROVISIONS FOR LIABILITIES** | 20 | | (1,642,001) | | (2,771,437) |
| **NET ASSETS** | | | 14,505,396 | | 6,442,388 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 21 | | 3,677,683 | | 3,677,683 |
| Share premium | 22 | | 361,785 | | 361,785 |
| Retained earnings | 22 | | 10,465,928 | | 2,402,920 |
| **SHAREHOLDERS' FUNDS** | | | 14,505,396 | | 6,442,388 |

The financial statements were approved by the Board of Directors and authorised for issue on 17 February 2022 and were signed on its behalf by:

A D Greensmith - Director

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MAY 2021

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|---|---|---|---|---|
| **Balance at 1 June 2019** | 3,677,684 | 8,327,818 | 361,785 | 12,367,287 |
| **Changes in equity** | | | | |
| Issue of share capital | (1) | - | - | (1) |
| Total comprehensive income | - | (5,924,898) | - | (5,924,898) |
| **Balance at 31 May 2020** | 3,677,683 | 2,402,920 | 361,785 | 6,442,388 |
| **Changes in equity** | | | | |
| Dividends | - | (5,125,000) | - | (5,125,000) |
| Total comprehensive income | - | 13,188,008 | - | 13,188,008 |
| **Balance at 31 May 2021** | 3,677,683 | 10,465,928 | 361,785 | 14,505,396 |

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

**General information and basis of accounting**
General All Purpose Plastics Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of General All Purpose Plastics Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are rounded to £1.

General All Purpose Plastics Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. General All Purpose Plastics Limited is consolidated in the financial statements of its parent, General All Purpose Plastics Group Limited, which may be obtained from Companies House. Exemptions have been taken in these separate company financial statements in relation to the presentation of a cash flow statement and remuneration of key management personnel.

**Consolidation**
The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in England and Wales. This parent company is a wholly owned subsidiary in its own right. The ultimate parent company prepares consolidated financial statements. In accordance with Section 400 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated financial statements. As a result, these financial statements present information about it as an individual undertaking, not its group.

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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. Actual results may differ from these estimates. Details of critical accounting judgements are detailed below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Key source of estimation uncertainty**

**Warranty Provision**



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The sale of doors manufactured by the company are covered by a 10 year warranty from the date of sale. Therefore the provision for the warranty requires the entity to estimate the future warranty claims expected to arise from sales made pre year end. This estimate is based on the percentage of doors remade over a 10 year period with any exceptional items removed. This percentage is then applied to the number of doors made in the year and an average cost is applied. The calculation is performed on an annual basis and the provision adjusted accordingly. The carrying amount of the warranty provision as at the balance sheet date was £629,072 (2020: £625,212). This basis has been considered appropriate and is always consistent.

**Dilapidation Provision**
As part of the company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss once a commitment to leave the property has been made and the estimated dilapidations costs have been provided by a surveyor. The provision as at the balance sheet date was £336,958 (2020: £1,876,349).

**Credit Note Provision**
A provision for credit notes is accounted for based on looking at monthly sales invoices and credit notes raised, then calculating an average percentage of credit notes against revenue. This percentage is then applied to the average monthly sales. This calculation is performed on an annual basis and the provision adjusted accordingly. It is felt this is the most simplistic basis on which to calculate the provision. The carrying amount of the credit note provision as at the balance sheet date was £266,238 (2020: £318,224)

**Stock Provision**
Due to the nature of stock holding policy and the requirements to hold a large and complementary range at each depot there is an element of slow moving stock within the group. The stock within the network is reviewed and a judgement based on product knowledge and historic data is used to calculate the percentage of slow moving stock held. The carrying amount of the slow moving stock provision as at the balance sheet date was £1,208,656 (2020: £2,769,784)

**Turnover**
Turnover is the revenue arising from the sale of goods and is stated at the fair value of the consideration receivable, net of Value Added Tax, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

**Intangible fixed assets and amortisation**
Positive purchased goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its estimated useful life of between 5- 20 years. The reason for choosing a period of 20 years for Rockdoor Limited is that this is a premium brand with forecasted growth. This brand has had significant investment made into it and continues to be a brand leader for GAP, notwithstanding the fact that it has been part of their product range for nearly 10 years. The reason for choosing a period of 20 years for GAP 2 is that this business can still be individually measured as part of the overall GAP Group and it continues to thrive in spite of the current economic climate.



continued...

Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

**Intangible assets**
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets and depreciation**
Tangible fixed assets are stated at cost less depreciation and impairment. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---|---|---|
| Freehold property | - | 2% straight line |
| Improvements to property | - | over term of the lease |
| Plant and machinery | - | 10% straight line |
| Motor vehicles | - | 25% straight line |
| Fixtures and fittings | - | 15% straight line |
| Computer equipment | - | 33% straight line |

**Stocks**
Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow- moving items.

Cost of manufactured goods includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Raw materials - purchase cost on a first-in, first-out basis.

Goods purchased for resale/finished goods - cost of direct materials and labour.



continued...

1. **ACCOUNTING POLICIES - continued**

**Taxation**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount 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 represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

**Provisions**

Provisions (other than deferred taxation) are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions for the estimated cost of repairing or replacing products which may be returned under warranty are based upon historical warranty data and are recognised when the underlying products are sold.

**Foreign currencies**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**Hire purchase and leasing commitments**

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term, even where the payments are not made on such a basis.

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.



continued...

1. **ACCOUNTING POLICIES - continued**

**Pension costs**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.



continued...

1. **ACCOUNTING POLICIES - continued**

**Financial instruments**
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using a fixed interest rate (notwithstanding changes in LIBOR or Bank of England base rate).

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

 continued...

1. **ACCOUNTING POLICIES - continued**

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**Investments**
Investments are stated at cost less any provision for impairment, which is assessed on an annual basis.

**Other Income**
Other income is stated net of taxes and relates to rental income, income from the CJRS government grant, the small business rates grant, other grant income and the kickstart scheme.



continued...

## 1. ACCOUNTING POLICIES - continued

**Going concern**
During the period, the relationship with lenders remained strong and the covenants in place at May 2020 were waived. From March 2021, the long terms loans for all lenders have been renegotiated to strengthen our lending position.

**COVID-19**
During the year, the COVID-19 outbreak resulted in a national UK lockdown from the period of end of March to April. A small number of depots began operating in May, but under certain government imposed restrictions. During this period the online platform was utilised to generate revenue from our Central Distribution centre in Blackburn.

Whilst the depot network and manufacturing ceased operations, the Directors took advantage of the government assisted Coronavirus Job Retention Scheme and measures were put in place to manage working capital.

**Impact of Brexit**
A large proportion of the products purchased are in Sterling although some materials have their relevant costs based on the commodity market and therefore fluctuate and can be volatile. However as an entity, we have the knowledge and systems in place to mitigate our risks.

The Directors do not believe that Brexit will adversely affect operations due to the existing controls that are in place.

## 2. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Sale of goods in the UK | 119,785,079 | 87,736,435 |
| | 119,785,079 | 87,736,435 |

## 3. EMPLOYEES AND DIRECTORS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 25,502,943 | 22,083,458 |
| Social security costs | 1,878,759 | 1,714,317 |
| Other pension costs | 694,809 | 733,181 |
| | 28,076,511 | 24,530,956 |



continued...

## 3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

| | 2021 | 2020 |
|---|---|---|
| Administrative staff | 266 | 247 |
| Production and distribution staff | 510 | 576 |
| | 776 | 823 |

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Directors' remuneration | 1,057,927 | 858,970 |
| Directors' pension contributions to money purchase schemes | 14,610 | 22,689 |

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|---|---|---|
| Money purchase schemes | 4 | 4 |

Information regarding the highest paid director is as follows:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Emoluments etc | 453,229 | 451,804 |
| Pension contributions to money purchase schemes | - | 11,820 |

## 4. OPERATING PROFIT/(LOSS)

The operating profit (2020: operating loss) is stated after charging/(crediting):

| | 2021 | 2020 |
|---|---|---|
| £ £ | | |
| Other operating leases | 4,758,982 | 5,764,055 |
| Depreciation - owned assets | 1,294,841 | 2,032,178 |
| Depreciation - assets on finance leases | 1,037,819 | 479,099 |
| Profit on disposal of fixed assets | (376,089) | (9,383) |
| Goodwill amortisation | 947,130 | 845,427 |
| Foreign exchange differences | 27,378 | 24,753 |

## 5. AUDITORS' REMUNERATION

| | 2021 | 2020 |
|---|---|---|
| £ £ | | |
| Fees payable to the company's auditor and its associates for the audit of the company and group's annual accounts | 40,000 | 40,000 |
| Non-audit fees: company secretarial services | 4,263 | 3,775 |
| Non-audit fees: taxation | 9,750 | 8,000 |



continued...

## 6. AMOUNTS WRITTEN OFF INVESTMENTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Amount written off investments | - | 72,692 |

## 7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Interest payable on bank & other borrowing | 580,987 | 1,315,256 |
| Other interest payable | 36,307 | 35,048 |
| Finance charges payable under finance leases | 20,516 | 26,679 |
| | 637,810 | 1,376,983 |

## 8. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 2,524,357 | (181,889) |
| Deferred tax: | | |
| Origination and reversal of timing differences | 406,095 | (105,680) |
| Tax on profit/(loss) | 2,930,452 | (287,569) |



continued...

8. **TAXATION - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Profit/(loss) before tax | 16,118,460 | (6,212,467) |
| Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 0%) | 3,062,507 | - |
| Effects of: | | |
| Expenses not deductible for tax purposes | (51,162) | 305,091 |
| Depreciation in excess of capital allowances | 24,963 | 246,849 |
| Utilisation of tax losses | (511,952) | (208,010) |
| Group loss | - | (511,952) |
| Non trade deficits | - | (13,867) |
| Origination and reversal of timing differences | 406,096 | (105,680) |
| Total tax charge/(credit) | 2,930,452 | (287,569) |

**Tax effects relating to effects of other comprehensive income**

| | | 2020 | |
|---|---|---|---|
| | Gross | Tax | Net |
| | £ | £ | £ |
| Transferred from subsidiary | | | |

9. **DIVIDENDS**

| | 2021 | 2020 |
|---|---|---|
| £ £ | | |
| "A" Ordinary shares of £1 each | 5,125,000 | - |



continued...

## 10. INTANGIBLE FIXED ASSETS

| | Goodwill £ |
|---|---|
| **COST** | |
| At 1 June 2020 and 31 May 2021 | 19,471,847 |
| **AMORTISATION** | |
| At 1 June 2020 | 4,785,835 |
| Amortisation for year | 947,130 |
| At 31 May 2021 | 5,732,965 |
| **NET BOOK VALUE** | |
| At 31 May 2021 | 13,738,882 |
| At 31 May 2020 | 14,686,012 |

## 11. TANGIBLE FIXED ASSETS

| | Freehold property £ | Improvements to property £ | Plant and machinery £ |
|---|---|---|---|
| **COST** | | | |
| At 1 June 2020 | 1,049,580 | 2,755,224 | 16,280,672 |
| Additions | - | 131,488 | 910,650 |
| Disposals | (1,049,580) | (45,598) | - |
| At 31 May 2021 | - | 2,841,114 | 17,191,322 |
| **DEPRECIATION** | | | |
| At 1 June 2020 | 174,930 | 1,796,320 | 9,936,606 |
| Charge for year | - | 250,975 | 1,154,826 |
| Eliminated on disposal | (174,930) | (1,463) | - |
| At 31 May 2021 | - | 2,045,832 | 11,091,432 |
| **NET BOOK VALUE** | | | |
| At 31 May 2021 | - | 795,282 | 6,099,890 |
| At 31 May 2020 | 874,650 | 958,904 | 6,344,066 |



continued...

## 11. TANGIBLE FIXED ASSETS - continued

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 June 2020 | 1,709,610 | 4,211,084 | 2,849,209 | 28,855,379 |
| Additions | 21,755 | 1,109,062 | 155,099 | 2,328,054 |
| Disposals | (943) | (477,613) | (41,058) | (1,614,792) |
| At 31 May 2021 | 1,730,422 | 4,842,533 | 2,963,250 | 29,568,641 |
| **DEPRECIATION** | | | | |
| At 1 June 2020 | 1,497,114 | 3,354,670 | 1,505,166 | 18,264,806 |
| Charge for year | 88,321 | 501,844 | 327,478 | 2,323,444 |
| Eliminated on disposal | (943) | (453,550) | (356) | (631,242) |
| At 31 May 2021 | 1,584,492 | 3,402,964 | 1,832,288 | 19,957,008 |
| **NET BOOK VALUE** | | | | |
| At 31 May 2021 | 145,930 | 1,439,569 | 1,130,962 | 9,611,633 |
| At 31 May 2020 | 212,496 | 856,414 | 1,344,043 | 10,590,573 |

Included within the net book value of £10,201,349 is £2,216,229 (2020: £1,652,200) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,037,819 (2020: £479,099).

## 12. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| **COST** | |
| At 1 June 2020 and 31 May 2021 | 256,073 |
| **PROVISIONS** | |
| At 1 June 2020 and 31 May 2021 | 255,752 |
| **NET BOOK VALUE** | |
| At 31 May 2021 | 321 |
| At 31 May 2020 | 321 |



continued...

## 12. FIXED ASSET INVESTMENTS - continued

The company has the following subsidiary undertakings as at 31 May 2021:

| | Class of share Capital Held | Proportion held by group % | Nature of business |
|---|---|---|---|
| Highline Building Plastics (Gateshead) Limited | Ordinary | 100 | Dormant |
| North Wales Building Plastics Limited | Ordinary | 100 | Dormant |
| GAP 2 Limited | Ordinary | 100 | Dormant |

All subsidiary undertakings were incorporated in the United Kingdom. All subsidiary undertakings have the same registered address as General All Purpose Plastics Limited which is found on page 1.

## 13. STOCKS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Raw materials | 3,480,453 | 2,831,849 |
| Good purchased for resale/ finished goods | 13,030,445 | 9,407,030 |
| | 16,510,898 | 12,238,879 |

## 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Trade debtors | 8,364,370 | 2,228,354 |
| Amounts owed by group undertakings | 1,886,741 | - |
| Amounts owed by related parties | - | 844,944 |
| Other debtors | 764,344 | 995,259 |
| Directors loan account | - | 1,312,676 |
| Prepayments | 1,681,349 | 2,003,472 |
| | 12,696,804 | 7,384,705 |

Amounts owed by group and related parties are interest free, unsecured and repayable on demand.



continued...

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Finance leases (see note 18) | 721,525 | 531,879 |
| Bank loan | 380,000 | 1,000,000 |
| Trade creditors | 13,343,190 | 4,973,245 |
| Amounts owed to group undertakings | 935,580 | 925,098 |
| Amounts owed to related parties | 180,381 | - |
| Corporation tax payable | 2,219,524 | 27,941 |
| Social security and other taxes | 5,140,335 | 4,439,375 |
| Other creditors | 2,421,955 | 3,604,176 |
| Directors loan account | 1,522,141 | - |
| Accruals and deferred income | 10,563,004 | 9,381,167 |
| Deferred consideration | - | 706,204 |
| | 37,427,635 | 25,589,085 |

The bank overdraft is secured by a cross guarantee and debenture between GAP 2 Limited, General All Purpose Plastics Holdings Limited and General All Purpose Plastics Group Limited.

Amounts due under finance leases are secured upon the assets to which they relate.

Amounts owed to group and related parties are interest free, unsecured and repayable on demand.

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Bank loans (see note 17) | 1,520,000 | 6,500,000 |
| Finance leases (see note 18) | 1,276,162 | 1,183,549 |
| Other creditors | 6,940,435 | 9,388,470 |
| | 9,736,597 | 17,072,019 |

The bank loan is made up of an initial borrowing from Barclays Bank PLC of £10,000,000. The loans included within other creditors are made up of an initial borrowing of £12,155,925 from Crown Oil Treasury Limited.

The Barclays Bank PLC Loan is repayable in quarterly instalments and is secured by fixed charge over the assets of the company and subject to an interest rate of 3.85% plus LIBOR.

The Crown Oil Treasury Limited loans are unsecured, repayable on demand and subject to an interest rate of 7.45% above the Bank of England base rate.

 continued...

## 17. LOANS

An analysis of the maturity of loans is given below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Amounts falling due between one and two years: | | |
| Bank loans - 1-5 years | 1,520,000 | 4,000,000 |
| Amounts falling due in more than five years: | | |
| Repayable by instalments | | |
| Bank loans more 5 yr by instal | - | 2,500,000 |

## 18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Finance leases | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 721,525 | 531,879 |
| Between one and five years | 1,276,162 | 1,183,549 |
| | 1,997,687 | 1,715,428 |

| | Non-cancellable | operating leases |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Within one year | 3,188,002 | 3,350,877 |
| Between one and five years | 9,303,063 | 10,179,612 |
| In more than five years | 2,462,327 | 3,423,524 |
| | 14,953,392 | 16,954,013 |

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term, even where the payments are not made on such a basis.

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.



continued...

## 19. FINANCIAL INSTRUMENTS

The carrying values of the company's financial assets and liabilities are summarised by category below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Financial assets** | | |
| Measured at undiscounted amount receivable | | |
| Trade and other debtors (see note 14) | 9,128,714 | 3,223,613 |
| Cash | 10,753,091 | 6,974,439 |
| Amounts owed by related parties (see note 14) | - | 844,944 |
| **Financial Liabilities** | | |
| Measured at undiscounted amount payable | | |
| Trade and other payables (see notes 15 & 16) | 22,705,579 | 17,965,891 |
| Amounts due to group undertakings (see note 15) | 935,580 | 925,098 |
| Bank loan | 1,900,000 | 7,500,000 |
| Amounts owed to related parties (see note 15) | 180,381 | - |
| Measured at amortised cost | | |
| Obligations under finance leases (see notes 15 & 16) | 1,997,687 | 1,715,428 |

## 20. PROVISIONS FOR LIABILITIES

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Deferred tax | | |
| Accelerated capital allowances | 675,971 | 269,876 |
| Other provisions | | |
| Warranty provision | 629,072 | 625,212 |
| Dilapidations provision | 336,958 | 1,876,349 |
| | 966,030 | 2,501,561 |
| Aggregate amounts | 1,642,001 | 2,771,437 |

| | Deferred tax | Warranty & Dilapidations |
|---|---|---|
| | £ | £ |
| Balance at 1 June 2020 | 269,876 | 2,501,561 |
| Movement during the year | 406,095 | (1,535,531) |
| Balance at 31 May 2021 | 675,971 | 966,030 |

 continued...

## 20. PROVISIONS FOR LIABILITIES - continued

**Warranty provision**
A provision of £629,072 (2020: £625,212) has been recognised for expected warranty claims on products sold by the company. The provision will unwind over the next 10 years.

**Dilapidations provision**
A provision of £336,958 (2020: £1,876,349) has been recognised for anticipated site restoration costs on leased properties. The provision will unwind when the properties are vacated.

## 21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2021 £ | 2020 £ |
|---|---|---|---|---|
| 25,000 | "A" Ordinary shares | 1 | 25,000 | 25,000 |
| 25,000 | "B" Ordinary shares | 1 | 25,000 | 25,000 |
| 3,627,683 | Preference shares | 1 | 3,627,683 | 3,627,683 |
| | | | 3,677,683 | 3,677,683 |



continued...

## 21. CALLED UP SHARE CAPITAL - continued

The "A" and "B" Ordinary shares carry the respective voting rights to appoint and remove directors and be subject to the restrictions on transfer as provided in the Articles of Association but rank pari passu in all other respects.

The rights attached to the Preference shares are set out below.

**Income**

The holders of the Preference shares shall not be entitled to receive any preferential dividend.

**Capital**

On a return of assets the assets and retained profits of the company available for distribution amongst the members shall be applied first in paying to each of the holders of Preference shares the total Issue Price of the Preference shares held by them respectively, with any balance paid to the holders of the Ordinary shares in proportion to the number of Ordinary shares held by them respectively.

**Voting**

The holders of the Preference shares shall have no right to receive notice of or to attend and vote at any general meeting of the company or in writing up any resolution of the company.

**Redemption**

The company may at any time redeem the preference shares either in their entirety or in part, subject to giving notice in writing to the members holding the Preference shares, and the company shall pay on each preference share redeemed an amount equal to its Issue Price. In the case of a post redemption, the company shall redeem the same proportion for each member's registered holding of the Preference shares.

**Profit and loss reserve**

This reserve records retained earnings and accumulated losses.

**Share Premium account**

The share premium account records the amount of money paid for the company's shares above the cost of the share price.



continued...

## 22. RESERVES

| | Retained earnings £ | Share premium £ | Totals £ |
|---|---|---|---|
| At 1 June 2020 | 2,402,920 | 361,785 | 2,764,705 |
| Profit for the year | 13,188,008 | | 13,188,008 |
| Dividends | (5,125,000) | | (5,125,000) |
| At 31 May 2021 | 10,465,928 | 361,785 | 10,827,713 |

## 23. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The pension charge represents contributions payable by the company to the scheme and amounted to £694,809 (2020: £733,181).

Included within accruals is £32,494 (2020: £16,278) in relation to outstanding contributions.

## 24. CONTINGENT LIABILITIES

The company's CID facility and loan facilities are secured by a cross guarantee and debenture in place between GAP 2 Limited, GAP Products Limited, General All Purpose Plastics Group Limited and General All Purpose Plastics Holdings Limited.

This is secured on all plant and machinery, rental and other income, securities, insurance and assurance contracts, goodwill, uncalled share capital, intellectual property and trade debts.

No liability is expected to arise under this guarantee. The maximum liability at 31 May 2021 is £1,900,000 (2020: £7,500,000).

## 25. CAPITAL COMMITMENTS

| | 2021 £ | 2020 £ |
|---|---|---|
| Contracted but not provided for in the financial statements | 507,750 | - |



continued...

## 26. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions within FRS 102 Section 33 Paragraph 1a not to disclose transactions with wholly owned group companies.

Details of outstanding balances with related parties can be found in notes 14 and 15.

A D Greensmith and S D Bird, directors of the company, are also designated members in Bridgemere Properties LLP.

Purchases from Bridgemere Properties LLP amounted to £166,712 (2020: £127,080). During the year the company paid expenses on behalf of Bridgemere Properties LLP amounting to £169,549. During the year, balances amounting to £834,801 were written off as owing to Bridgemere Properties LLP. As a result of this, the amount owing at 31 May 2021 is a creditor owing to Bridgemere Properties LLP of £174,411 (2020 owed by Bridgemere Properties LLP: £490,841). This has been included in amounts owed to related parties.

A D Greensmith is a trustee in GAP Limited No.1 FURBS and GAP Limited No.3 FURBS. At 31 May 2021 GAP Limited No.1 FURBS owed the company £39,640 (2020: £105,531) and GAP Limited No.3 FURBS owed the company £49,471 (2020: £99,060).

S D Bird is a trustee in GAP Limited No.2 FURBS, GAP Limited No.4 FURBS and GAP Limited No.5 FURBS. At 31 May 2021 GAP Limited No.2 FURBS owed the company £50,594 (2020: £50,183), GAP Limited No.4 FURBS owed the company £1,041 (2020: £50,615) and GAP Limited No.5 FURBS owed the company £49,125 (2020: £48,714).

A D Greensmith is a director of Crown Oil Limited. The company made sales to Crown Oil Limited in the year amounting to £571 (2020: £4,608) and purchases amounting to £246,768 (2020: £1,403,186). At 31 May 2021 the company owed Crown Oil Limited £5,140 (2020: £157,202) As at 31 May 2021, the company also had loans from Crown Oil Limited, which were to fund the purchase of GAP 2 Limited and for working capital requirements. These loans were renegotiated during the year, and at the year end, the company owed Crown Oil Limited £8,771,422 (2020: £11,190,292). The security pertaining to these loans is detailed in notes 14 and 15.

A D Greensmith is a trustee of the Crown Oil Executive Pension Fund. The company made purchases from this fund amounting to £405,746.

Loans due to/(from) directors are as follows:

| | | | 2021 | 2020 |
|---|---|---|---|---|
| | £ | £ | | |
| A D Greensmith | | | 18,960 | (596,330) |
| S D Bird | | | 1,503,181 | (725,241) |
| | | | 1,522,141 | (1,321,571) |

No interest has been charged in the year. Loans are repayable on demand.



continued...

## 27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary of General All Purpose Plastics Holdings Limited, a company incorporated in England and Wales. General All Purpose Plastics Holdings Limited is a subsidiary of General All Purpose Plastics Group Limited, a company incorporated in England and Wales, which is considered to be the ultimate parent undertaking and the parent of both the smallest and largest groups of which the company is a member and consolidated financial statements are prepared. The ultimate parent undertaking has the same registered address as General All Purpose Plastics Limited which is found on page 1. The consolidated financial statements are available to the public and may be obtained from Companies House.

The company is under the common control of the directors.