

Company Registration number: 04932732

**AVALON PLASTICS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**AVALON PLASTICS LIMITED**  
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**AVALON PLASTICS LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	S D Boyd K Butler P T Darley D Logan J K Boyd T K Phelps P Curtis
<b>Registered office</b>	Unit 1, Genesis Three Morlands Enterprise Park Glastonbury, Somerset BA6 9FZ
<b>Auditors</b>	Albert Goodman LLP Mary Street House Mary Street Taunton Somerset TA1 3NW

## **AVALON PLASTICS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2011**

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The directors present their report and the financial statements for the year ended 30 November 2011

#### **Directors of the company**

The directors who held office during the year were as follows

S D Boyd

K Butler

P T Darley

D Logan

J K Boyd

T K Phelps

P Curtis

#### **Principal activity**

The principal activity of the company is the manufacture of plastic products

#### **Business review**

##### ***Fair review of the business***

2011 was a challenging year for the company. Raw material prices increased by 30% in the first six months of the year and although most of these cost increases were passed onto the customers, there was the inevitable delay and lag and effect on profitability in the first half of the year with a major improvement in profit during the second half.

Sales increased by £1.4M compared to 2010 (14%) partly due to these price increases, though underlying sales of plastic product showed a slight increase (3%) compared to the previous year. Approximately £0.5M of the sales increase was due to tooling sales for new products both to current and new customers. Unfortunately these projects were delayed from the first half of the year to the last quarter and did not generate significant sales of plastic products in the year. Therefore the investment in the additional capacity to support these new (and other potential) sales was made earlier than eventually required with the associated cash flow and cost implications. These factors caused the margins to be eroded and together with an increase in fixed costs, saw the loss increase by £52K compared to 2010.

However, the directors are confident that with the revised pricing that was implemented in the second half of the year, the implementation of the new products and capacity and the ending of a number of HP agreements, the company will return to profitability and cash generation in 2012 providing the general economic and manufacturing activity does not dramatically deteriorate.

At the end of the year the company purchased the share capital of its sister company Avalon Plastics South Wales Limited for a nominal sum. The company carries out similar injection moulding activities for customers in South Wales and there has been close co operation between the companies. The net effect of this purchase will be to increase the sales of Avalon Plastics Limited by around 10% on a like for like basis.

## AVALON PLASTICS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2011

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#### ***Principal risks and uncertainties***

The profitability of the company is partly dependent on the movement in raw material prices which are oil based and also mainly commodity and are therefore dependent on the global supply and demand equation. Commercial arrangements are in place to mitigate the impact of these fluctuations to some extent. Profitability is also partially dependent on the economic activity of the customer base and markets, the diversity of which has been increased in recent years.

#### **Financial Instruments**

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. Liquidity risk is managed by the use of short term bank borrowings and longer term loans from both the company's bankers and the parent company.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

#### **Reappointment of auditors**

The auditors Albert Goodman LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 25<sup>th</sup>/4/2012 and signed on its behalf by

  
K Butler  
Director

## **AVALON PLASTICS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 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). 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON PLASTICS LIMITED**

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We have audited the financial statements of Avalon Plastics Limited for the year ended 30 November 2011, set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities (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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVALON PLASTICS LIMITED

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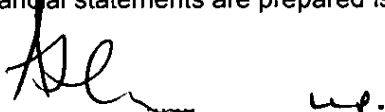
### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2011 and of its loss 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

### **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



Paul Sargent FCA (Senior Statutory Auditor)  
For and on behalf of Albert Goodman LLP, Statutory Auditor

Mary Street House  
Mary Street  
Taunton  
Somerset  
TA1 3NW

Date 8 May 2012



**AVALON PLASTICS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2011**

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	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
Turnover		11,098,195	9,735,914
Cost of sales		<u>(10,220,579)</u>	<u>(8,781,309)</u>
Gross profit		877,616	954,605
Administrative expenses		<u>(786,871)</u>	<u>(677,997)</u>
Operating profit	2	90,745	276,608
Factory relocation costs		-	(125,084)
Other interest receivable and similar income	6	8	-
Interest payable and similar charges	7	<u>(202,584)</u>	<u>(169,323)</u>
Loss on ordinary activities before taxation		(111,831)	(17,799)
Tax on loss on ordinary activities	8	<u>29,930</u>	<u>(11,917)</u>
Loss for the financial year	17	<u><u>(81,901)</u></u>	<u><u>(29,716)</u></u>


Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

**AVALON PLASTICS LIMITED**  
**(REGISTRATION NUMBER: 04932732)**  
**BALANCE SHEET AT 30 NOVEMBER 2011**

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	9	2,077,788	1,797,048
Investments	10	1	-
		<u>2,077,789</u>	<u>1,797,048</u>
<b>Current assets</b>			
Stocks	11	593,244	619,726
Debtors	12	2,934,738	3,069,000
Cash at bank and in hand		8,122	1,443
		<u>3,536,104</u>	<u>3,690,169</u>
Creditors Amounts falling due within one year	13	<u>(3,945,912)</u>	<u>(3,714,419)</u>
Net current liabilities		<u>(409,808)</u>	<u>(24,250)</u>
Total assets less current liabilities		1,667,981	1,772,798
Creditors Amounts falling due after more than one year	14	(1,246,704)	(1,242,325)
Provisions for liabilities	15	<u>(98,176)</u>	<u>(125,471)</u>
Net assets		<u><u>323,101</u></u>	<u><u>405,002</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	10,786	10,786
Share premium account	17	1,572	1,572
Profit and loss account	17	<u>310,743</u>	<u>392,644</u>
Shareholders' funds	18	<u><u>323,101</u></u>	<u><u>405,002</u></u>

Approved by the Board on 24/4/2012 and signed on its behalf by

  
S D Boyd  
Director

  
K Butler  
Director

**AVALON PLASTICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2011****Reconciliation of operating profit to net cash flow from operating activities**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating profit	90,745	276,608
Depreciation, amortisation and impairment charges	434,424	333,862
Profit on disposal of fixed assets	-	(20,702)
Decrease/(increase) in stocks	26,482	(48,005)
Decrease/(increase) in debtors	143,626	(529,279)
Increase in creditors	181,203	698,526
Factory relocation costs	-	(125,084)
Net cash inflow from operating activities	<u>876,480</u>	<u>585,926</u>

**Cash flow statement**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Net cash inflow from operating activities	<u>876,480</u>	<u>585,926</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	8	-
HP and finance lease interest	(56,456)	(50,555)
Interest paid	<u>(146,128)</u>	<u>(118,768)</u>
	<u>(202,576)</u>	<u>(169,323)</u>
Taxation paid	<u>(6,729)</u>	<u>(4,099)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(152,132)	(593,409)
Sale of tangible fixed assets	-	20,702
	<u>(152,132)</u>	<u>(572,707)</u>
<b>Acquisitions and disposals</b>		
Acquisition of investments in subsidiary undertakings	<u>(1)</u>	<u>-</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>515,042</u>	<u>(160,203)</u>
<b>Financing</b>		
Value of new loans obtained during the period	-	338,966
Repayment of loans and borrowings	(173,507)	(73,439)
Repayment of capital element of finance leases and HP contracts	<u>(334,856)</u>	<u>(281,208)</u>
	<u>(508,363)</u>	<u>(15,681)</u>

**AVALON PLASTICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2011**

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Increase/(decrease) in cash		<u>6,679</u>	<u>(175,884)</u>
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**Reconciliation of net cash flow to movement in net debt**

	Note	2011 £	2010 £
Increase/(decrease) in cash		6,679	(175,884)
Cash inflow from increase in loans		-	(338,966)
Cash outflow from repayment of loans		173,507	73,439
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>334,856</u>	<u>281,208</u>
Change in net debt resulting from cash flows	21	515,042	(160,203)
New finance leases		<u>(563,032)</u>	<u>-</u>
Movement in net debt	21	(47,990)	(160,203)
Net debt at 1 December	21	<u>(1,662,882)</u>	<u>(1,502,679)</u>
Net debt at 30 November	21	<u>(1,710,872)</u>	<u>(1,662,882)</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention

**Exemption from preparing group accounts**

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts which are filed at Companies House

**Going concern**

The company meets its day to day working capital requirements through facilities provided by its bankers and long term loans from the parent company. The company is therefore dependent on the continued availability of banking facilities. No repayments of loans provided by the parent company are required until 2014.

The directors have prepared projections for the period ending 12 months from the date of their approval of these financial statements. On this basis, the directors consider that the company will continue to operate within the facilities currently in place. However, the margin of facilities over requirements is not large and, inherently there can be no certainty in relation to these matters. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the bank facilities.

**Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Turnover is recognised at the point significant risks and rewards of ownership pass to the customer, which normally takes place as goods are delivered.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	10-33 3% straight line
Fixtures, fittings and equipment	33 3-50% straight line

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

**Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

**Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**2 Operating profit**

Operating profit is stated after charging

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating leases - plant and machinery	13,144	6,449
Operating leases - other assets	150,000	117,000
Auditor's remuneration - The audit of the company's annual accounts	7,200	8,299
Profit on sale of tangible fixed assets	-	(20,702)
Depreciation of owned assets	<u>434,424</u>	<u>333,862</u>

**3 Exceptional items**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Factory relocation costs	<u>-</u>	<u>125,084</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**4 Particulars of employees**

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	<b>2011 No.</b>	<b>2010 No.</b>
Administration and support	29	25
Production	115	102
	<u>144</u>	<u>127</u>

The aggregate payroll costs were as follows

	<b>2011 £</b>	<b>2010 £</b>
Wages and salaries	2,455,769	2,293,272
Social security costs	222,251	210,820
Staff pensions	54,431	52,178
	<u>2,732,451</u>	<u>2,556,270</u>

**5 Directors' remuneration**

The directors' remuneration for the year was as follows

	<b>2011 £</b>	<b>2010 £</b>
Remuneration (including benefits in kind)	169,822	196,420
Company contributions paid to money purchase schemes	<u>19,056</u>	<u>19,960</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	<b>2011 No</b>	<b>2010 No.</b>
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

**6 Other interest receivable and similar income**

	<b>2011 £</b>	<b>2010 £</b>
Other interest receivable	<u>8</u>	<u>-</u>



**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**7 Interest payable and similar charges**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest on bank borrowings	13,476	17,890
Other interest payable	132,652	100,878
Finance charges	56,456	50,555
	<u>202,584</u>	<u>169,323</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**8 Taxation**

**Tax on loss on ordinary activities**

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Current tax</b>		
Adjustments in respect of previous years	(2,635)	4,031
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(27,295)</u>	<u>7,886</u>
Total tax on loss on ordinary activities	<u>(29,930)</u>	<u>11,917</u>

**Factors affecting current tax charge for the year**

Tax on loss on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 20% (2010 - 21%)

The differences are reconciled below

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Loss on ordinary activities before taxation	<u>(111,831)</u>	<u>(17,799)</u>
Corporation tax at standard rate	(22,366)	(3,738)
Depreciation and capital allowances adjustment	(4,395)	(2,374)
Other timing differences	1,042	6,647
Non deductible expenses	760	3,496
Utilisation of tax losses	<u>22,324</u>	<u>-</u>
Total current tax	<u>(2,635)</u>	<u>4,031</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**9 Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 December 2010	3,237,761	157,191	3,394,952
Additions	714,429	735	715,164
At 30 November 2011	<u>3,952,190</u>	<u>157,926</u>	<u>4,110,116</u>
<b>Depreciation</b>			
At 1 December 2010	1,533,673	64,231	1,597,904
Charge for the year	403,874	30,550	434,424
At 30 November 2011	<u>1,937,547</u>	<u>94,781</u>	<u>2,032,328</u>
<b>Net book value</b>			
At 30 November 2011	<u>2,014,643</u>	<u>63,145</u>	<u>2,077,788</u>
At 30 November 2010	<u>1,704,088</u>	<u>92,960</u>	<u>1,797,048</u>

**Leased assets**

Included within the net book value of tangible fixed assets is £1,104,652 (2010 - £716,672) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £175,051 (2010 - £134,073)

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**10 Investments held as fixed assets**

	2011 £	2010 £
Shares in group undertakings and participating interests	<u>1</u>	<u>-</u>

**Shares in group undertakings and participating interests**

	Subsidiary undertakings £	Total £
<b>Cost</b>		
Additions	<u>1</u>	<u>1</u>
At 30 November 2011	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 30 November 2011	<u><u>1</u></u>	<u><u>1</u></u>

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<b>Undertaking</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>			
Avalon Plastics South Wales Limited	Ordinary shares	100%	Plastics manufacturer

The financial period end of Avalon Plastics South Wales Limited is 29 November. The profit for the financial period of Avalon Plastics South Wales Limited was £70,982 and the aggregate amount of capital and reserves at the end of the period was £481.

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**11 Stocks**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Raw materials	308,102	378,945
Work in progress	75,327	66,884
Finished goods	209,815	173,897
	<u>593,244</u>	<u>619,726</u>

**12 Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,521,744	2,839,847
Amounts owed by group undertakings	215,754	-
Other debtors	79,696	66,388
Prepayments and accrued income	117,544	162,765
	<u>2,934,738</u>	<u>3,069,000</u>

Debtors includes £70,332 (2010 - £66,388) receivable after more than one year

This can be analysed as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>70,332</u>	<u>66,388</u>
	<u>70,332</u>	<u>66,388</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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**13 Creditors: Amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	906,965	954,329
Bank loans and overdrafts	112,500	112,500
Other loans	97,860	97,860
Obligations under finance lease and hire purchase contracts	261,930	211,640
Amounts owed to group undertakings	45,000	1,580
Other taxes and social security	342,786	248,282
Other creditors	2,066,105	1,925,999
Accruals and deferred income	112,766	162,229
	<u>3,945,912</u>	<u>3,714,419</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2011**

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Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Hire purchase	261,930	211,640
Invoice discounting advance	2,000,951	1,877,488
Bank loans and overdrafts	112,500	112,500
	<u>2,375,381</u>	<u>2,201,628</u>

Hire purchase liabilities are secured against the assets to which they relate

Beckery Properties Limited, the parent company, has provided a gurantee in favour of Avalon Plastics Limited in respect of the invoice discounting advance

Bank loans are repayable by instalments within 5 years of the balance sheet date and interest is charged at 3.4% over Base Rate, security is provided by way of an all assets debenture

**14 Creditors: Amounts falling due after more than one year**

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Bank loans and overdrafts	178,125	290,625
Other loans	105,705	203,565
Obligations under finance lease and hire purchase contracts	367,741	189,855
Amounts owed to group undertakings	595,133	556,206
Directors' current accounts	-	2,074
	<u>1,246,704</u>	<u>1,242,325</u>

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Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Hire purchase	367,741	189,855
Bank loans	178,125	290,625
	<u>545,866</u>	<u>480,480</u>

Hire purchase liabilities are secured against the assets to which they relate

Bank loans are repayable by instalments within 5 years of the balance sheet date and interest is charged at 3.4% over Base Rate, security is provided by way of an all assets debenture

**Obligations under finance leases and HP contracts**

**Amounts repayable:**

	2011 £	2010 £
In one year or less on demand	261,930	211,640
Between one and two years	125,469	154,253
Between two and five years	242,272	35,602
	<u>629,671</u>	<u>401,495</u>



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**15 Provisions**

	<b>Deferred tax £</b>	<b>Total £</b>
At 1 December 2010	125,471	125,471
Credited to the profit and loss account	<u>(27,295)</u>	<u>(27,295)</u>
At 30 November 2011	<u>98,176</u>	<u>98,176</u>

**Analysis of deferred tax**

	<b>2011 £</b>	<b>2010 £</b>
Difference between accumulated depreciation and amortisation and capital allowances	120,399	125,521
Other timing differences	(3,699)	(50)
Tax losses available	<u>(18,524)</u>	<u>-</u>
	<u>98,176</u>	<u>125,471</u>

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**16 Share capital**

**Allotted, called up and fully paid shares**

	<b>2011</b>		<b>2010</b>	
	<b>No</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary 'A' shares of £1 each	10,000	10,000	10,000	10,000
Ordinary 'B' shares of £1 each	786	786	786	786
	<u>10,786</u>	<u>10,786</u>	<u>10,786</u>	<u>10,786</u>

The Ordinary A and Ordinary B shares rank pari passu in all regards except that the holders of the Ordinary A shares are entitled to vote whilst the holders of the Ordinary B shares have no voting rights

**17 Reserves**

	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 December 2010	1,572	392,644	394,216
Loss for the year	-	(81,901)	(81,901)
At 30 November 2011	<u>1,572</u>	<u>310,743</u>	<u>312,315</u>

**18 Reconciliation of movement in shareholders' funds**

	<b>2011 £</b>	<b>2010 £</b>
Loss attributable to the members of the company	<u>(81,901)</u>	<u>(29,716)</u>
Net reduction to shareholders' funds	(81,901)	(29,716)
Shareholders' funds at 1 December	<u>405,002</u>	<u>434,718</u>
Shareholders' funds at 30 November	<u>323,101</u>	<u>405,002</u>

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**19 Pension schemes**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £54,431 (2010 - £52,178).

Contributions totalling £18,736 (2010 - £5,109) were payable to the scheme at the end of the year and are included in creditors.

**20 Commitments**

**Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £95,000 (2010 - £nil).

**Operating lease commitments**

As at 30 November 2011 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

	2011 £	2010 £
<b>Land and buildings</b>		
Within two and five years	28,267	28,267
Over five years	150,000	150,000
	<u>178,267</u>	<u>178,267</u>
<b>Other</b>		
Within one year	2,600	-
Within two and five years	5,928	2,600
	<u>8,528</u>	<u>2,600</u>

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**21 Analysis of net debt**

	<b>At 1 December 2010 £</b>	<b>Cash flow £</b>	<b>Other non-cash changes £</b>	<b>At 30 November 2011 £</b>
Cash at bank and in hand	1,443	6,679	-	8,122
Debt due within one year	(210,360)	-	-	(210,360)
Debt due after more than one year	(1,052,470)	173,507	-	(878,963)
Finance leases and hire purchase contracts	(401,495)	334,856	(563,032)	(629,671)
Net debt	<u>(1,662,882)</u>	<u>515,042</u>	<u>(563,032)</u>	<u>(1,710,872)</u>

**22 Related party transactions**

**Other related party transactions**

During the year the company made the following related party transactions

**Avalon Plastics South Wales Limited**

(Subsidiary company)

During the year the company purchased £413,736 (2010 - £411,487) and sold £1,539,050 (2010 - £1,385,087) of goods and services to and from Avalon Plastics South Wales Limited. At the balance sheet date the amount due from Avalon Plastics South Wales Limited was £215,754 (2010 - £185,933)

**Beckery Properties Limited**

(Parent company)

The company rents premises from Beckery Properties Limited, and made rental payments during the year of £150,000 (2010 - £117,000)

During the year interest was charged amounting to £34,706 (2010 - £33,116). At the balance sheet date the amount due to Beckery Properties Limited was £640,133 (2010 - £556,206)

**23 Control**

The company is controlled by the parent company, Beckery Properties Limited. The accounts of Beckery Properties Limited can be obtained from the Companies House website