

**Company Registration number: 04932732**

**AVALON PLASTICS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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COMPANIES HOUSE

# **AVALON PLASTICS LIMITED**

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

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**Directors** K Butler  
P T Darley  
K Jones

**Company secretary** H Jones

**Registered office** Unit 1, Genesis Three  
Morlands Enterprise Park  
Glastonbury, Somerset  
BA6 9FZ

**Auditors** Albert Goodman LLP  
Mary Street House  
Mary Street  
Taunton  
Somerset  
TA1 3NW

## **AVALON PLASTICS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2013**

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The directors present their strategic report for the year ended 30 November 2013.

#### **Business review**

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

2012 laid the foundation for the continued sales growth in 2013 with sales up over 10% year on year. This reflected increases across the board from demand from current customers for existing products, new product introduction from both current and new customers and investment in tooling from our customer base through Avalon.

Raw material prices continued to be volatile through the year as well as other input price pressures, however active cost control, a programme of continuous improvements and the benefits of the new Glastonbury facility improved the company's gross margins.

The improved trading performance resulted in strong cash flow and significant balance sheet improvements in terms of debt reduction and net current assets (liquidity). This gives a solid base for further improvements that the board expects in 2014.

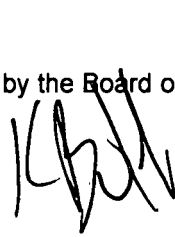
After the year end S.D Boyd, a significant shareholder and non executive chairman, sold his shares to the company and other shareholders, as a result, he and his associated non executive directors resigned. Subsequently Kevin Jones, as executive director and Helen Jones, as company secretary were re appointed to the board of Avalon Plastics. This greatly strengthens the board and gives the executive team the control and focus to improve the performance of the company both in the short and longer term.

##### ***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.

Approved by the Board on 19/3/2014 and signed on its behalf by:

K Butler  
Director



## AVALON PLASTICS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2013

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The directors present their report and the financial statements for the year ended 30 November 2013.

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

The directors who held office during the year were as follows:

S D Boyd (resigned 23 December 2013)

K Butler

P T Darley

D Logan (resigned 26 February 2013)

J K Boyd (resigned 23 December 2013)

P Curtis (resigned 23 December 2013)

The following director was appointed after the year end:

K Jones (appointed 5 February 2014)

#### **Principal activity**

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

#### **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 19/3/2014 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 2013, set out on pages 7 to 25. 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 auditor**

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 Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

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

In our opinion the information given in the Strategic Report and 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

26/03/2014

26 March 2014



**AVALON PLASTICS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2013**

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	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
Turnover	2	12,637,326	11,207,496
Cost of sales		<u>(10,666,837)</u>	<u>(9,807,385)</u>
Gross profit		1,970,489	1,400,111
Administrative expenses		<u>(1,460,401)</u>	<u>(1,092,521)</u>
Operating profit	3	510,088	307,590
Other interest receivable and similar income	6	-	9
Interest payable and similar charges	7	<u>(198,704)</u>	<u>(224,063)</u>
Profit on ordinary activities before taxation		311,384	83,536
Tax on profit on ordinary activities	8	<u>(64,916)</u>	<u>(28,259)</u>
Profit for the financial year	17	<u><u>246,468</u></u>	<u><u>55,277</u></u>

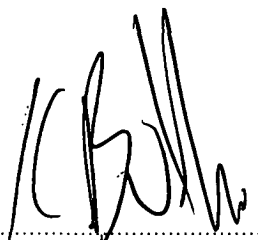
Turnover and operating profit derive wholly from continuing operations.

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 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible fixed assets	9	1,615,374	1,746,786
Investments	10	-	1
		<u>1,615,374</u>	<u>1,746,787</u>
<b>Current assets</b>			
Stocks	11	851,666	810,501
Debtors	12	3,052,446	2,660,352
Cash at bank and in hand		<u>40,865</u>	<u>39,488</u>
		3,944,977	3,510,341
Creditors: Amounts falling due within one year	13	<u>(3,768,536)</u>	<u>(3,760,859)</u>
Net current assets/(liabilities)		<u>176,441</u>	<u>(250,518)</u>
Total assets less current liabilities		1,791,815	1,496,269
Creditors: Amounts falling due after more than one year	14	(1,055,256)	(1,014,365)
Provisions for liabilities	15	<u>(111,713)</u>	<u>(103,526)</u>
Net assets		<u>624,846</u>	<u>378,378</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>612,488</u>	<u>366,020</u>
Shareholders' funds	18	<u>624,846</u>	<u>378,378</u>

Approved by the Board on 19/3/2014 and signed on its behalf by:

  
 K Butler  
 Director

**AVALON PLASTICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2013****Reconciliation of operating profit to net cash flow from operating activities**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Operating profit	510,088	307,590
Depreciation, amortisation and impairment charges	457,680	450,292
Profit on disposal of fixed assets	(25,455)	(5,839)
Increase in stocks	(41,165)	(217,257)
(Increase)/decrease in debtors	(392,094)	265,022
Increase/(decrease) in creditors	261,110	(11,141)
Net cash inflow from operating activities	<u>770,164</u>	<u>788,667</u>

**Cash flow statement**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Net cash inflow from operating activities	<u>770,164</u>	<u>788,667</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	-	9
HP and finance lease interest	(50,486)	(75,003)
Interest paid	(148,218)	(149,060)
	<u>(198,704)</u>	<u>(224,054)</u>
Taxation (paid)/received	<u>(23,121)</u>	<u>9,576</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(68,712)	(115,451)
Sale of tangible fixed assets	30,986	27,000
	<u>(37,726)</u>	<u>(88,451)</u>
<b>Acquisitions and disposals</b>		
Disposal of investments in subsidiary undertakings	<u>1</u>	<u>-</u>
Net cash inflow before management of liquid resources and financing	<u>510,614</u>	<u>485,738</u>
<b>Financing</b>		
Repayment of loans and borrowings	(330,628)	(179,475)
Repayment of capital element of finance leases and HP contracts	(178,609)	(274,897)
	<u>(509,237)</u>	<u>(454,372)</u>
Increase in cash	<u>1,377</u>	<u>31,366</u>

**AVALON PLASTICS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**Reconciliation of net cash flow to movement in net debt**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
Increase in cash		1,377	31,366
Cash outflow from repayment of loans		330,628	179,475
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>178,609</u>	<u>274,897</u>
Change in net debt resulting from cash flows	21	510,614	485,738
 New finance leases		<u>(263,087)</u>	<u>(108,000)</u>
Movement in net debt	21	247,527	377,738
Net debt at 1 December	21	<u>(1,333,134)</u>	<u>(1,710,872)</u>
Net debt at 30 November	21	<u><u>(1,085,607)</u></u>	<u><u>(1,333,134)</u></u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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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.

**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
Motor vehicles	25% reducing balance

**Fixed asset investments**

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

**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.

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**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.

**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.

**2 Turnover**

During the year 0.39% of the company's turnover related to exports (2012 - 7.82%).

An analysis of turnover by geographical location is given below:

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Sales - UK	12,588,275	10,330,693
Sales - Europe	49,051	876,803
	<u>12,637,326</u>	<u>11,207,496</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**3 Operating profit**

Operating profit is stated after charging:

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Operating leases - plant and machinery	19,005	9,000
Operating leases - other assets	195,409	190,062
Auditor's remuneration - The audit of the company's annual accounts	8,950	8,950
Profit on sale of tangible fixed assets	(25,455)	(5,839)
Depreciation of owned assets	<u>457,680</u>	<u>450,292</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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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>2013 No.</b>	<b>2012 No.</b>
Administration and support	28	30
Production	110	120
	<u>138</u>	<u>150</u>

The aggregate payroll costs were as follows:

	<b>2013 £</b>	<b>2012 £</b>
Wages and salaries	2,540,278	2,744,733
Social security costs	213,423	220,303
Staff pensions	64,699	55,621
	<u>2,818,400</u>	<u>3,020,657</u>

**5 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2013 £</b>	<b>2012 £</b>
Remuneration (including benefits in kind)	151,158	167,997
Company contributions paid to money purchase schemes	<u>25,147</u>	<u>17,147</u>

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

	<b>2013 No.</b>	<b>2012 No.</b>
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>



**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**6 Other interest receivable and similar income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<u>-</u>	<u>9</u>

**7 Interest payable and similar charges**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Interest on bank borrowings	3,887	9,147
Other interest payable	144,331	139,913
Finance charges	<u>50,486</u>	<u>75,003</u>
	<u>198,704</u>	<u>224,063</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**8 Taxation**

**Tax on profit on ordinary activities**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	56,729	22,909
<b>Deferred tax</b>		
Origination and reversal of timing differences	8,187	5,350
<b>Total tax on profit on ordinary activities</b>	<u>64,916</u>	<u>28,259</u>

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

Tax on profit on ordinary activities for the year is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 21.76% (2012 - 20%).

The differences are reconciled below:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>311,384</u>	<u>83,536</u>
Corporation tax at standard rate	67,757	16,707
Depreciation and capital allowances adjustment	(5,798)	25,376
Other timing differences	(5,497)	3,418
Non deductible expenses	267	1,282
Utilisation of tax losses	-	(23,874)
<b>Total current tax</b>	<u>56,729</u>	<u>22,909</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**9 Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 December 2012	3,779,281	165,784	6,175	3,951,240
Additions	328,914	2,885	-	331,799
Disposals	(153,664)	-	-	(153,664)
At 30 November 2013	<u>3,954,531</u>	<u>168,669</u>	<u>6,175</u>	<u>4,129,375</u>
<b>Depreciation</b>				
At 1 December 2012	2,079,477	124,977	-	2,204,454
Charge for the year	429,931	26,205	1,544	457,680
Eliminated on disposals	(148,133)	-	-	(148,133)
At 30 November 2013	<u>2,361,275</u>	<u>151,182</u>	<u>1,544</u>	<u>2,514,001</u>
<b>Net book value</b>				
At 30 November 2013	<u>1,593,256</u>	<u>17,487</u>	<u>4,631</u>	<u>1,615,374</u>
At 30 November 2012	<u>1,699,804</u>	<u>40,807</u>	<u>6,175</u>	<u>1,746,786</u>

**Leased assets**

*Included within the net book value of tangible fixed assets is £743,990 (2012 - £1,040,012) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £99,156 (2012 - £194,797).*

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**10 Investments held as fixed assets**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Shares in group undertakings and participating interests	<u>-</u>	<u>1</u>
<b>Shares in group undertakings and participating interests</b>		
	<b>Subsidiary</b> <b>undertakings</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost</b>		
At 1 December 2012	1	1
Disposals	<u>(1)</u>	<u>(1)</u>
At 30 November 2013	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 30 November 2013	<u>-</u>	<u>-</u>
At 30 November 2012	<u>1</u>	<u>1</u>

**11 Stocks**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Raw materials	486,692	437,239
Work in progress	105,487	113,113
Finished goods	<u>259,487</u>	<u>260,149</u>
	<u>851,666</u>	<u>810,501</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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**12 Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,006,781	2,559,228
Amounts owed by group undertakings	-	112
Prepayments and accrued income	45,665	101,012
	<u>3,052,446</u>	<u>2,660,352</u>

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Trade creditors	1,095,295	785,606
Bank loans and overdrafts	65,625	112,500
Other loans	14,000	91,705
Obligations under finance lease and hire purchase contracts	171,064	154,052
Amounts owed to group undertakings	19,451	86,439
Corporation tax	56,729	23,121
Other taxes and social security	441,569	351,985
Other creditors	1,643,566	2,054,556
Accruals and deferred income	261,237	100,895
	<u>3,768,536</u>	<u>3,760,859</u>

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Bank loans	65,625	112,500
Finance lease and hire purchase contracts	171,064	154,052
Invoice discounting advance	1,500,665	1,996,115
	<u>1,737,354</u>	<u>2,262,667</u>

The bank loan is repayable by instalments and interest is charged at 3.4% over Base Rate; security is provided by way of an all assets debenture. Hire purchase liabilities are secured against the assets to which they relate.

Beckery Properties Limited, the parent company, has provided a guarantee to £300,000 in respect of the invoice discounting advance.

**AVALON PLASTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2013**

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Bank loans and overdrafts	-	65,625
Other loans	-	14,000
Obligations under finance lease and hire purchase contracts	376,188	308,722
Amounts owed to group undertakings	499,595	626,018
Other creditors	179,473	-
	<u>1,055,256</u>	<u>1,014,365</u>

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

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

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Bank loans	-	65,625
Finance lease and hire purchase contracts	376,188	308,722
	<u>376,188</u>	<u>374,347</u>

**Obligations under finance leases and HP contracts**

**Amounts repayable:**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
In one year or less on demand	171,064	154,052
Between one and two years	171,063	118,446
Between two and five years	205,125	190,276
	<u>547,252</u>	<u>462,774</u>

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**15 Provisions**

	<b>Deferred tax £</b>	<b>Total £</b>
At 1 December 2012	103,526	103,526
Charged to the profit and loss account	<u>8,187</u>	<u>8,187</u>
At 30 November 2013	<u><u>111,713</u></u>	<u><u>111,713</u></u>

**Analysis of deferred tax**

	<b>2013 £</b>	<b>2012 £</b>
Difference between accumulated depreciation and amortisation and capital allowances	113,357	110,033
Other timing differences	<u>(1,644)</u>	<u>(6,507)</u>
	<u><u>111,713</u></u>	<u><u>103,526</u></u>

**16 Share capital**

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

	<b>2013</b>		<b>2012</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	<u>786</u>	<u>786</u>	<u>786</u>	<u>786</u>
	<u><u>10,786</u></u>	<u><u>10,786</u></u>	<u><u>10,786</u></u>	<u><u>10,786</u></u>



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**17 Reserves**

	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 December 2012	1,572	366,020	367,592
Profit for the year	-	246,468	246,468
At 30 November 2013	<u>1,572</u>	<u>612,488</u>	<u>614,060</u>

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

	<b>2013 £</b>	<b>2012 £</b>
Profit attributable to the members of the company	<u>246,468</u>	<u>55,277</u>
Net addition to shareholders' funds	246,468	55,277
Shareholders' funds at 1 December	<u>378,378</u>	<u>323,101</u>
Shareholders' funds at 30 November	<u>624,846</u>	<u>378,378</u>

**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 £64,699 (2012 - £55,621).

Contributions totalling £7,320 (2012 - £32,536) were payable to the scheme at the end of the year and are included in creditors.

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**20 Commitments**

**Operating lease commitments**

As at 30 November 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
<b>Land and buildings</b>		
Within one year	-	42,000
Over five years	192,000	150,000
	<u>192,000</u>	<u>192,000</u>
<b>Other</b>		
Within two and five years	<u>14,716</u>	<u>14,716</u>

**21 Analysis of net debt**

	At 1 December 2012 £	Cash flow £	Other non-cash changes £	At 30 November 2013 £
Cash at bank and in hand	39,488	1,377	-	40,865
Debt due within one year	(204,205)	124,580	-	(79,625)
Debt due after more than one year	(705,643)	206,048	-	(499,595)
Finance leases and hire purchase contracts	(462,774)	178,609	(263,087)	(547,252)
Net debt	<u>(1,333,134)</u>	<u>510,614</u>	<u>(263,087)</u>	<u>(1,085,607)</u>

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**22 Related party transactions**

**Other related party transactions**

During the year the company made the following related party transactions:

**Beckery Properties Limited**

(Parent company)

During the year the company paid rental charges of £150,000 (2012 - £150,000) to Beckery Properties Limited. The company also maintains an loan account upon which interest of £44,983 (2012 - £36,371) was paid in the year. At the balance sheet date the amount due to Beckery Properties Limited was £519,046 (2012 - £712,457).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

**23 Control**

The company is controlled by Beckery Properties Limited, the immediate and ultimate parent undertaking. Copies of the group consolidated accounts can be obtained from Companies House, Cardiff. Since 23 December 2013 the ultimate controlling party is K Butler, director.