

Company Registration No. 4932732 (England and Wales)

**AVALON PLASTICS LIMITED**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2009**

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## AVALON PLASTICS LIMITED

### COMPANY INFORMATION

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**Directors**

S Boyd  
K Butler  
P Darley  
K Jones

**Secretary**

H Jones

**Company number**

4932732

**Registered office**

Avalon Works  
Beckery New Road  
Glastonbury  
Somerset  
BA6 9NR

**Auditors**

Albert Goodman  
Mary Street House  
Mary Street  
Taunton  
Somerset  
TA1 3NW

**Bankers**

The Royal Bank of Scotland Plc  
5 Market Place  
Glastonbury  
Somerset  
BA6 9HB

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## AVALON PLASTICS LIMITED

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# **AVALON PLASTICS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2009**

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The directors present their report and financial statements for the year ended 30 November 2009

### **Principal activities and review of the business**

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

Turnover of £8m was similar to the levels of 2008, despite the back drop of the global down turn. More importantly, gross margins increased from 8.02% in 2008 to 12.10% in 2009, reflecting the easing of raw material costs and better control of costs. The company returned to profitability as predicted, reporting a profit before tax for the year of £207,354.

Sales in the first half of the year were weak as customers de-stocked in light of the economic uncertainty, however sales in the last quarter were some 20% above average year level, reflecting the return to normal off-take of business from current customers and new business won from both within the current customer base and additional new customers. The directors expect this trend to continue in 2010.

The company has secured a new long-term loan from its bankers, reducing the reliance on short-term bank financing. As a result of the improved operating performance and the new long-term bank loan, net current assets were £356k at year end, an increase of £638k on position at the previous year end.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk.

The liquidity risk is managed by use of short-term bank borrowings and longer-term loans from both the company's bankers and the parent company.

### **Results and dividends**

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

### **Future developments**

The profitability of the Company is partly dependent on the movement in raw material prices which are influenced by foreign exchange rates and the oil price. Commercial arrangements are in place to mitigate the impact of changes in raw material prices to some extent. Taking into account current economic conditions, the directors anticipate the trading position will continue to improve.

### **Directors**

The following directors have held office since 1 December 2008:

S. Boyd  
K. Butler  
P. Darley  
K. Jones

### **Auditors**

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

**AVALON PLASTICS LIMITED**

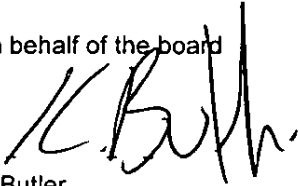
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to read 'K. Butler', written over the text 'On behalf of the board'.

K Butler

Director

24/3/2010

## **AVALON PLASTICS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 NOVEMBER 2009**

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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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

## **AVALON PLASTICS LIMITED**

### **INDEPENDENT AUDITORS' 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 2009 set out on pages 6 to 19. 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 auditors' 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 Directors' Responsibilities Statement set out on page 3, 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 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 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.

#### **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.

## AVALON PLASTICS LIMITED

### INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF AVALON PLASTICS LIMITED

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#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2009 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 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**

**Chartered Accountants**

**Statutory Auditor**

U.O.I. 1513 .

Mary Street House  
Mary Street  
Taunton  
Somerset  
TA1 3NW



**AVALON PLASTICS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2009**

	Notes	2009 £	2008 £
Turnover	2	8,044,854	8,108,668
Cost of sales		(7,071,654)	(7,458,731)
Gross profit		973,200	649,937
Administrative expenses		(629,155)	(636,016)
Operating profit	3	344,045	13,921
Other interest receivable and similar income	4	324	2,110
Interest payable and similar charges	5	(137,015)	(209,339)
Profit/(loss) on ordinary activities before taxation		207,354	(193,308)
Tax on profit/(loss) on ordinary activities	6	(36,981)	24,942
Profit/(loss) for the year	15	170,373	(168,366)

The profit and loss account has been prepared on the basis that all operations are continuing operations

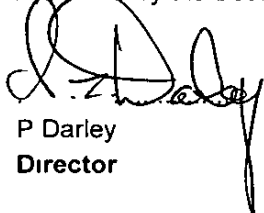
There are no recognised gains and losses other than those passing through the profit and loss account

# AVALON PLASTICS LIMITED

## BALANCE SHEET AS AT 30 NOVEMBER 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	7	1,537,501		1,835,250	
<b>Current assets</b>					
Stocks	8	571,721		625,921	
Debtors	9	2,539,721		1,941,977	
Cash at bank and in hand		177,327		41,528	
		<u>3,288,769</u>		<u>2,609,426</u>	
<b>Creditors' amounts falling due within one year</b>	10	<u>(2,932,456)</u>		<u>(2,891,642)</u>	
<b>Net current assets/(liabilities)</b>		<u>356,313</u>		<u>(282,216)</u>	
<b>Total assets less current liabilities</b>		<u>1,893,814</u>		<u>1,553,034</u>	
<b>Creditors' amounts falling due after more than one year</b>	11	(1,341,511)		(1,208,017)	
<b>Provisions for liabilities</b>	12	<u>(117,585)</u>		<u>(80,672)</u>	
		<u>434,718</u>		<u>264,345</u>	
<b>Capital and reserves</b>					
Called up share capital	14	10,786		10,786	
Share premium account	15	1,572		1,572	
Profit and loss account	15	422,360		251,987	
<b>Shareholders' funds</b>	16	<u>434,718</u>		<u>264,345</u>	

Approved by the Board and authorised for issue on

  
P Darley  
Director

24/3/10  
  
K Butler  
Director

Company Registration No. 4932732

# AVALON PLASTICS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2009

	£	2009 £	£	2008 £
<b>Net cash inflow from operating activities</b>		252,168		680,221
<b>Returns on investments and servicing of finance</b>				
Interest received	324		2,110	
Interest paid	(101,275)		(172,250)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(100,951)		(170,140)
<b>Taxation</b>		-		43
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(31,881)		(56,362)	
<b>Net cash outflow for capital expenditure</b>		(31,881)		(56,362)
<b>Net cash inflow before management of liquid resources and financing</b>		119,336		453,762
<b>Financing</b>				
New long term bank loan	450,000		-	
Other new long term loans	30,147		-	
Other new short term loans	5,416		-	
Repayment of other long term loans	(10,415)		(22,196)	
Repayment of other short term loans	(110,664)		-	
Capital element of hire purchase contracts	(348,021)		(411,599)	
<b>Net cash outflow from financing</b>		16,463		(433,795)
<b>Increase in cash in the year</b>		135,799		19,967

# AVALON PLASTICS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2009

<b>1 Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating profit	344,045	13,921
Depreciation of tangible assets	329,630	374,139
Profit on disposal of tangible assets	-	(4,200)
Decrease in stocks	54,200	123,576
(Increase)/decrease in debtors	(597,744)	17,350
Increase in creditors within one year	122,037	155,435
<b>Net cash inflow from operating activities</b>	<b>252,168</b>	<b>680,221</b>

<b>2 Analysis of net debt</b>	<b>1 December 2008</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>30 November 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash				
Cash at bank and in hand	41,528	135,799	-	177,327
Debt				
Finance leases	(1,030,724)	348,021	-	(682,703)
Debts falling due within one year	(115,663)	58,373	-	(57,290)
Debts falling due after one year	(517,156)	(422,857)	-	(940,013)
	(1,663,543)	(16,463)	-	(1,680,006)
<b>Net debt</b>	<b>(1,622,015)</b>	<b>119,336</b>	<b>-</b>	<b>(1,502,679)</b>

<b>3 Reconciliation of net cash flow to movement in net debt</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	135,799	19,967
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(16,463)	351,137
Change in net debt resulting from cash flows	119,336	371,104
New finance lease	-	(337,644)
<b>Movement in net debt in the year</b>	<b>119,336</b>	<b>33,460</b>
Opening net debt	(1,622,015)	(1,655,475)
<b>Closing net debt</b>	<b>(1,502,679)</b>	<b>(1,622,015)</b>

# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2009

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Going concern

The company meets its day to day working capital requirements through facilities provided by its bankers and loans from the parent company. The company is therefore dependent on the continued support of the parent company and the continued availability of banking facilities. The directors have obtained confirmation from the parent company that no repayments of loans provided by the parent company will be required until 2014.

The directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of this cash flow information, 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 or the loans from the parent company.

#### 1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10 - 33 3% Straight line
Fixtures, fittings & equipment	33 3 - 50% Straight line

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. 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.

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

#### 1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes direct manufacturing costs, plus an appropriate proportion of production overheads.

#### 1.8 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 (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

### 1 Accounting policies (Continued)

#### 1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2009 £	2008 £
Operating profit is stated after charging		
Depreciation of tangible assets	329,630	374,139
Operating lease rentals		
- Plant and machinery	5,747	8,604
- Other assets	102,000	102,000
Auditors' remuneration (including expenses and benefits in kind)	9,334	9,198
and after crediting		
Profit on disposal of tangible assets	-	(4,200)

4 Investment income	2009 £	2008 £
Bank interest	324	2,110
	324	2,110

5 Interest payable	2009 £	2008 £
On bank loans and overdrafts	50,017	108,287
Hire purchase interest	58,963	63,963
Other interest	28,035	37,089
	137,015	209,339

# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

6	Taxation	2009 £	2008 £
	<b>Domestic current year tax</b>		
	U K corporation tax	68	-
	<b>Current tax charge</b>	68	-
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	36,913	(24,942)
		36,981	(24,942)
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	207,354	(193,308)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 20.67%)	43,544	(39,957)
	<b>Effects of</b>		
	Non deductible expenses	964	1,727
	Depreciation add back	69,222	76,466
	Capital allowances	(56,628)	(40,962)
	Tax losses utilised	(57,034)	-
	Group relief	-	2,650
	Other tax adjustments	-	76
		(43,476)	39,957
	<b>Current tax charge</b>	68	-

The company has estimated losses of £ 26,000 (2008 - £ 60,000) available for carry forward against future trading profits

# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

### 7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 December 2008	2,828,518	82,116	2,910,634
Additions	31,881	-	31,881
At 30 November 2009	2,860,399	82,116	2,942,515
<b>Depreciation</b>			
At 1 December 2008	1,011,297	64,087	1,075,384
Charge for the year	312,768	16,862	329,630
At 30 November 2009	1,324,065	80,949	1,405,014
<b>Net book value</b>			
At 30 November 2009	1,536,334	1,167	1,537,501
At 30 November 2008	1,817,221	18,029	1,835,250

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
<b>Net book values</b>	
At 30 November 2009	1,105,666
At 30 November 2008	1,496,252
<b>Depreciation charge for the year</b>	
At 30 November 2009	185,033
At 30 November 2008	208,376



# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

8	Stocks and work in progress	2009 £	2008 £
	Raw materials and consumables	329,292	326,774
	Work in progress	53,520	58,985
	Finished goods and goods for resale	188,909	240,162
		<u>571,721</u>	<u>625,921</u>

9	Debtors	2009 £	2008 £
	Trade debtors	2,419,974	1,792,357
	Prepayments and accrued income	119,747	149,620
		<u>2,539,721</u>	<u>1,941,977</u>

Amounts falling due after more than one year and included in the debtors above are

	2009 £	2008 £
Prepayments	<u>32,572</u>	<u>45,683</u>

# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

10 Creditors' amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	46,875	-
Net obligations under hire purchase contracts	281,205	339,863
Trade creditors	765,133	625,891
Amounts owed to parent and fellow subsidiary undertakings	-	7,820
Corporation tax	68	-
Other taxes and social security costs	231,282	219,666
Other creditors	1,361,345	1,420,618
Accruals and deferred income	246,548	277,784
	<u>2,932,456</u>	<u>2,891,642</u>

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

Other creditors includes an invoice discounting advance of £1,314,414 (2008 - £1,272,382) The amount is secured by a fixed and floating charge over the assets of the company

The Bank Loan is repayable over 5 years, and interest is charged at 3 4% over Base Rate

11 Creditors' amounts falling due after more than one year	2009 £	2008 £
Bank loans	403,125	-
Other loans	536,888	517,156
Net obligations under hire purchase contracts	401,498	690,861
	<u>1,341,511</u>	<u>1,208,017</u>

### Analysis of loans

Wholly repayable within five years	997,303	632,819
	<u>997,303</u>	<u>632,819</u>
Included in current liabilities	(57,290)	(115,663)
	<u>940,013</u>	<u>517,156</u>

### Loan maturity analysis

In more than one year but not more than two years	112,500	10,445
In more than two years but not more than five years	827,513	526,711
	<u>940,013</u>	<u>537,156</u>

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

The Bank Loan is repayable over 5 years, and interest is charged at 3 4% over Base Rate

# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

### 12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 December 2008	80,672
Profit and loss account	36,913
	<hr/>
Balance at 30 November 2009	117,585
	<hr/> <hr/>

The deferred tax liability is made up as follows.

	2009 £	2008 £
Accelerated capital allowances	123,146	134,873
Tax losses available	(5,561)	(54,201)
	<hr/>	<hr/>
	117,585	80,672
	<hr/> <hr/>	<hr/> <hr/>

### 13 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2009 £	2008 £
Contributions payable by the company for the year	48,254	59,521
	<hr/> <hr/>	<hr/> <hr/>

# AVALON PLASTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

<b>14 Share capital</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
800,000 Ordinary A shares of £1 each	800,000	800,000
200,000 Ordinary B shares of £1 each	200,000	200,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary A shares of £1 each	10,000	10,000
786 Ordinary B shares of £1 each	786	786
	<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

## **15 Statement of movements on reserves**

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 December 2008	1,572	251,987
Profit for the year	-	170,373
	<u>1,572</u>	<u>422,360</u>
Balance at 30 November 2009	<u>1,572</u>	<u>422,360</u>

## **16 Reconciliation of movements in shareholders' funds**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit/(Loss) for the financial year	170,373	(168,366)
Opening shareholders' funds	264,345	432,711
	<u>434,718</u>	<u>264,345</u>
Closing shareholders' funds	<u>434,718</u>	<u>264,345</u>

## AVALON PLASTICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 17 Financial commitments

At 30 November 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2009	2008	2009	2008
	£	£	£	£
Expiry date				
Within one year	-	-	5,235	-
Between two and five years	28,267	28,267	2,600	8,604
In over five years	102,000	102,000	-	-
	<u>130,267</u>	<u>130,267</u>	<u>7,835</u>	<u>8,604</u>

#### 18 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	187,520	200,632
Company pension contributions to money purchase schemes	19,119	19,838
	<u>206,639</u>	<u>220,470</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2008 - 3)

## AVALON PLASTICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2009

#### 19 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was

	2009 Number	2008 Number
Administration and management	22	24
Production and other	104	117
	<u>126</u>	<u>141</u>

##### Employment costs

	2009 £	2008 £
Wages and salaries	2,195,515	2,298,601
Social security costs	191,124	224,677
Other pension costs	48,254	59,521
	<u>2,434,893</u>	<u>2,582,799</u>

#### 20 Control

The parent and the ultimate parent undertaking is Beckery Properties Limited, a company registered in England and Wales

There is no one ultimate controlling party of Beckery Properties Limited

#### 21 Related party transactions

During the year the company purchased £25,691 (2008 - £86,108) and sold £1,018,207 (2008 - £1,294,625) of goods and services to / from Avalon Plastics (South Wales) Limited, a company in which there are some common shareholders. An amount of £232,435 (2008 - £212,519) is included within trade debtors reflecting the net amount due.

The company rents premises from its parent undertaking, Beckery Properties Limited, and made rental payments during the year of £102,000 (2008 - £102,000). Included in creditors is a balance of £536,888 (2008 - £7,820) owing to Beckery Properties Limited. During the year, interest payable in respect of this balance amounted to £22,392 (2008 - £1,063).

Included within other creditors is an amount of £1,950 (2008 - £483,411) owing to the directors. Interest payable on these loans during the year amounted to £5,643 (2008 - £36,110).

On 29 April 2009, loans from shareholders and directors of the company amounting to £510,221 were novated to the parent company at book value. This loan is not repayable until 1 May 2014 unless agreement is reached for earlier repayment.