

**GENERAL ALL PURPOSE PLASTICS  
GROUP LIMITED**

**Annual Report and Consolidated Financial  
Statements**

**For the year ended 31 May 2019**



# **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 May 2019**

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# **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

A D Greensmith  
S D Bird  
S M T Brayshaw  
M C Greensmith  
A A Rayner  
B J Elmer

### **SECRETARY**

A D Greensmith

### **REGISTERED NUMBER**

05635001

### **REGISTERED OFFICE**

Partnership Way  
Shadsworth Business Park  
Blackburn  
United Kingdom  
BB1 2QP

### **BANKERS**

Barclays Bank plc  
8/14 Darwen Street  
5 Fleming Square  
Blackburn  
BB2 2BZ

NatWest Bank Plc  
Sheffield City Centre  
1 Victoria Place  
Holbeck  
LS11 5AN

### **SOLICITORS**

BSS Law (Formally Zatman & Co.)  
First Floor, The Edge  
Crown Street  
Manchester  
M3 5NA

Addleshaw Goddard LLP  
3 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4ER

### **AUDITOR**

Rushtons  
Chartered Accountants & Business Advisers  
Shorrock House  
1 Faraday Court, Fulwood  
Preston  
Lancashire  
PR2 9NB

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## STRATEGIC REPORT

The directors present their Strategic Report on the group and company for the year ended 31 May 2019.

### PRINCIPAL ACTIVITIES

The company operates as the group's holding company and has not traded during either year. The principal activity of the group is the distribution and manufacture of PVCu doors, window accessories and building products.

### BUSINESS REVIEW

During the previous year, General All Purpose Plastics Limited a wholly owned subsidiary of General All Purpose Plastics Group Limited, completed the acquisition of Jackmon Sales Limited from SIG Trading Limited financed via external borrowings. As a result of this transaction Jackmon Sales Limited is now a wholly owned subsidiary of General All Purpose Plastics Limited and has been renamed as Gap 2 Limited from the date of the acquisition. The consolidated financial figures are inclusive of GAP 2 Limited with General All Purpose Plastics Group Limited being the ultimate parent company. Full details of the acquisition can be found in the financial statements of General All Purpose Plastics Limited filed at Companies House.

The year ended 31 May 2019 has seen no increase in turnover (2018: 61%). In the prior year the acquisition of GAP 2 Limited increased turnover by 43%.

Continuing efforts to maintain low costs and improve efficiencies in both manufacturing and distribution has resulted in a steady gross margin of 39% (2018: 38%). A slight increase on the previous year's margin due to growth in the gross margin products sold in GAP 2 Limited.

The loss for the year, after taxation, amounted to £74,510 (2018: £1,617,543).

The directors are satisfied with the results for the year and consider that both market share and profitability can be increased over the long term, resulting in greater shareholder value. The group will continue to invest further resources into its customer services and support programmes to ensure the growth strategy adopted by the directors can be delivered.

The directors have declared a dividend of £237,486 (2018: £Nil) in the year.

### PRINCIPAL RISKS AND UNCERTAINTIES

The group manages its financial risk in five broad categories:

#### *Market conditions*

General All Purpose Plastics Group Limited's ("GAP Group") products are targeted at individual consumers and businesses. As a result demand is dependent on activity levels in these respective segments, which vary geographically and are subject to the usual drivers of economic activity (i.e. general economic conditions and volatility, interest rates, business/consumer confidence levels, unemployment, construction levels etc.). While these drivers are inherently cyclical, the exposure to the cyclical nature of any market is partially mitigated by the group's diversification, both geographically and by product.

#### *Competitive pressures*

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

#### *Customer credit risk*

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

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## STRATEGIC REPORT (continued)

### *Human Resources*

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

### *Funding and liquidity risks*

To manage the working capital needs of the business and to finance the group's expansion plans, the group is reliant on being able to arrange and maintain sufficient financing and to comply with their conditions once established which are currently being met by the group's positive operating cash flows.

Management will carefully monitor the impact of Brexit and of decisions that might be taken going forward, on expected cash flows, interest rates and covenant compliance.

### KEY PERFORMANCE INDICATORS

The principle key performance indicators ("KPIs") which are monitored by the directors include rate of revenue growth, profitability and cash flow derived from operating activities which have been discussed in the business review above. They are also part of the financial statements.

### FUTURE DEVELOPMENTS

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

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

Approved by the Board of Directors and signed by order of the Board



B J Elmer  
Director

8/11/ 2019

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of General All Purpose Plastics Group Limited for the year ended 31 May 2019. Future developments, Post balance sheet events and Financial Risk Management have been discussed in the strategic report.

## RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounts to £74,510 (2018: £1,617,543).

The directors have declared a dividend of £237,486 (2018: £Nil) in the year.

## DIRECTORS

The directors who served during the year and thereafter were:

A D Greensmith  
S D Bird  
S M T Brayshaw  
M C Greensmith  
A A Rayner  
B J Elmer

## GOING CONCERN

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

## EMPLOYEE INVOLVEMENT

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

## DISABLED EMPLOYEES

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

## AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

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

## Reappointment of auditor

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

Approved by the Board of Directors and signed by order of the Board



B J Elmer  
Director

8/11/2019

# **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of General All Purpose Plastics Group Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.



## **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL ALL PURPOSE PLASTICS GROUP LIMITED (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL ALL PURPOSE PLASTICS GROUP LIMITED (continued)**

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



Neil Calvert FCA (Senior Statutory Auditor)  
Rushtons  
Chartered Accountants & Business Advisers  
Shorrock House  
1 Faraday Court  
Fulwood  
Preston  
Lancashire  
PR2 9NB

Date 8.11.2019

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2019

	Note	2019	2018
		£	£
<b>TURNOVER</b>	3	111,802,230	111,818,389
Cost of sales		(67,823,318)	(69,736,173)
<b>GROSS PROFIT</b>		43,978,912	42,082,216
Administrative expenses		(42,482,479)	(39,148,944)
Other operating income		72,985	72,985
<b>OPERATING PROFIT</b>		1,569,418	3,006,257
Interest receivable and similar income		4,590	343
Interest payable and similar charges	7	(1,313,292)	(631,737)
<b>PROFIT BEFORE TAXATION</b>	4	260,716	2,374,863
Tax on profit	8	(335,226)	(757,320)
<b>(LOSS)/ PROFIT FOR THE FINANCIAL YEAR</b>		(74,510)	1,617,543
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		(74,510)	1,617,543

The notes on pages 15 to 31 form part of these financial statements.

There are no recognised gains and losses other than the profit for the current and prior year as shown above and consequently a separate consolidated statement of comprehensive income has not been presented.

All activity has arisen from continuing operations.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED BALANCE SHEET

As at 31 May 2019

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Intangible assets	9		15,168,846		15,442,283
Tangible assets	10		<u>12,649,403</u>		<u>10,979,178</u>
			27,818,249		26,421,461
<b>CURRENT ASSETS</b>					
Stocks	12	15,221,868		12,663,037	
Debtors	13	14,278,355		16,542,801	
Cash at bank		<u>2,841,750</u>		<u>2,229,892</u>	
		32,341,973		31,435,730	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(27,218,151)</u>		<u>(27,902,003)</u>	
<b>NET CURRENT ASSETS</b>			<u>5,123,822</u>		<u>3,533,727</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			32,942,071		29,955,188
<b>CREDITORS: amounts falling due after more than one year</b>	15		(19,896,723)		(17,120,435)
<b>PROVISIONS FOR LIABILITIES</b>					
Provisions	18		(1,920,466)		(1,525,092)
Deferred Tax	17		<u>(375,556)</u>		<u>(248,339)</u>
<b>NET ASSETS</b>			<u>10,749,326</u>		<u>11,061,322</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		4,628,125		4,628,125
Profit and loss account			<u>6,121,201</u>		<u>6,433,197</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>10,749,326</u>		<u>11,061,322</u>

The notes on pages 15 to 31 form part of these financial statements.

The financial statements of General All Purpose Plastics Group Limited, registered number 05635001, were approved and authorised for issue by the members and were signed on their behalf by:



B J Elmer  
Director

Date 8/11/19

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## COMPANY BALANCE SHEET As at 31 May 2019

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Investments	11		<u>3,702,983</u>		<u>3,702,983</u>
<b>CURRENT ASSETS</b>					
Debtors	13	<u>925,142</u>		<u>925,142</u>	
<b>NET CURRENT ASSETS</b>			<u>925,142</u>		<u>925,142</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,628,125</u>		<u>4,628,125</u>
<b>NET ASSETS</b>			<u>4,628,125</u>		<u>4,628,125</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<u>4,628,125</u>		<u>4,628,125</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,628,125</u>		<u>4,628,125</u>

The notes on pages 15 to 31 form part of these financial statements.

The profit dealt with in the financial statements of the parent company was £Nil (2018: £Nil). As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

The financial statements of General All Purpose Plastics Group Limited, registered number 05635001, were approved and authorised for issue by the members and were signed on their behalf by:



B J Elmer  
Director

Date 8/11/19.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 May 2019

	Called-up share capital £	Profit and loss account £	Total £
At 1 June 2017	4,628,125	4,815,654	9,443,779
Profit for the financial year and total comprehensive income	-	1,617,543	1,617,543
At 31 May 2018	4,628,125	6,433,197	11,061,322
Loss for the financial year and total comprehensive income	-	(74,510)	(74,510)
Dividend paid (see Note 20)	-	(237,486)	(237,486)
At 31 May 2019	4,628,125	6,121,201	10,749,326

The notes on pages 15 to 31 form part of these financial statements.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

As at 31 May 2019

	Called-up share capital £	Profit and loss account £	Total £
<b>At 1 June 2017</b>	4,628,125	-	4,628,125
Profit for the financial year and total comprehensive income	-	-	-
Dividend paid (see Note 20)	-	-	-
<b>At 31 May 2018</b>	<u>4,628,125</u>	<u>-</u>	<u>4,628,125</u>
Profit for the financial year and total comprehensive income	-	-	-
Dividend paid (see Note 20)	-	-	-
<b>At 31 May 2019</b>	<u><u>4,628,125</u></u>	<u><u>-</u></u>	<u><u>4,628,125</u></u>

The notes on pages 15 to 31 form part of these financial statements.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

As at 31 May 2019

	Note	2019 £	2018 £
<b>Net cash flows from operating activities</b>	27	<u>2,741,771</u>	<u>4,672,894</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		171,219	380,586
Purchase of tangible fixed assets excluding finance leases		(2,357,044)	(3,293,203)
Interest received		4,590	343
Acquisition of subsidiaries		(582,114)	(20,088,154)
Cash acquired on business combination		-	21,718
<b>Net cash flows from investing activities</b>		<u>(2,763,349)</u>	<u>(22,978,710)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(237,486)	-
Finance lease interest		(12,797)	(5,529)
Repayments of obligations under finance lease		(309,484)	(285,680)
New loans raised		2,579,932	18,267,615
<b>Net cash flows from financing activities</b>		<u>2,020,165</u>	<u>17,976,406</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>1,998,587</u>	<u>(329,410)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>843,163</u>	<u>1,172,573</u>
<b>Cash and cash equivalents at end of year</b>		<u>2,841,750</u>	<u>843,163</u>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand inclusive of overdrafts		<u>2,841,750</u>	<u>843,163</u>
Cash and cash equivalents		<u>2,841,750</u>	<u>843,163</u>

The notes on pages 15 to 31 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 May 2019**

**1. ACCOUNTING POLICIES**

**General information and basis of accounting**

General All Purpose Plastics Group Limited is a private company, limited by shares, registered in the England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report on pages 2 to 3.

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

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

General All Purpose Plastics Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

**Basis of consolidation**

The Group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 May 2019. Profits or losses on intra-group transactions are eliminated in full.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition. More information can be found in note 28 to these financial statements.

The profit in the financial statements of the parent company was £Nil (2018: £Nil). As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

**Going concern**

The current economic conditions create uncertainty; however the group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its cash reserves, overdraft and loan facilities and internally generated working capital.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Turnover**

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

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

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 1. ACCOUNTING POLICIES (continued)

#### Goodwill

Purchased goodwill is capitalised and is amortised on a straight line basis over its estimated useful economic life.

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

During the previous year the Group acquired the net trading assets of Jackmon Sales Limited from SIG Trading Limited giving rise to goodwill, this is to be amortised over the twenty year estimated useful life. The company is now trading under the company name of GAP 2 Limited company number 10682325 and details of the acquisition can be found in note 28. All other Goodwill is amortised over 5 years.

Amortisation is provided at the following rates:

Goodwill	5 - 20 years straight line
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#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

#### Stocks

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

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

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

Goods purchased for resale/finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

#### Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

#### Pension costs

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

#### Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 May 2019**

**1. ACCOUNTING POLICIES (continued)**

**Finance leases (continued)**

Assumed by the group. 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.

**Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

**Financial instruments**

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

*(i) Financial assets and liabilities*

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

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

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

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

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

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 1. ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

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

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

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

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

#### (ii) Investments

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

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

#### Other income

Other income is stated net of taxes and relates to rental income.

#### Provision for liabilities

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

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

#### Investments

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

#### Investment income

Investment income is recognised in the Profit and Loss Account when the company's right to receive payment is established. The investment income relates to the stand-alone company only accounts.

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There are no critical accounting judgements made in these financial statements.

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

#### *Key source of estimation uncertainty*

##### *Warranty Provision*

The sale of doors manufactured by the group are all covered by a 10 year warranty from the date of sale. Therefore the provision for this warranty requires the entity to estimate the future warranty claims expected to arise from sales made pre year end. The carrying amount of the warranty provision as at the balance sheet date was £647,678 (2018: £647,678).

##### *Dilapidations Provision*

The entity operates a depot retail model where each depot is a unit that has been leased and then modified by the entity to meet the high standard of presentation and design required for depots to succeed. The lease contracts require the units to be restored to their original states. Therefore a provision is required for anticipated site restoration costs on each leased property. The carrying amount of the Dilapidations provision as at the balance sheet date was £1,272,788 (2018: £877,414).

##### *Impairment of Goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £15,168,846 after an impairment loss of £Nil was recognised during 2019.

### 3. TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

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

	2019 £	2018 £
Sale of goods	<u>111,802,230</u>	<u>111,818,389</u>

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2019 £	2018 £
Amortisation of goodwill	855,551	857,351
Depreciation of tangible fixed assets:		
- owned by the group	2,051,578	1,903,321
- held under finance leases	270,084	207,949
Operating lease rentals	3,666,585	3,579,915
Gain on foreign exchange translation	(19,079)	(10,073)
Loss/ (Profit) on disposal of tangible fixed assets	(3,727)	91,548
Release of grant	(142,875)	-
Cost of stock recognised as an expense	59,984,925	67,730,379

The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor and its associates for the audit of the company and group's annual accounts	28,700	58,850
Non-audit fees	6,300	13,000

Amortisation of intangible assets is included in administrative expenses.

### 5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	24,522,872	22,661,039
Social security costs	2,201,897	2,008,072
Other pension costs	641,859	460,595
	27,366,628	25,129,706

The average monthly number of employees, including directors, during the year was as follows:

	2019 Number	2018 Number
Administrative	188	227
Production, selling and distribution	767	752
	955	979

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 6. DIRECTORS' REMUNERATION

	2019 £	2018 £
Remuneration	866,254	649,207
Company pension contributions to defined contribution pension schemes	3,060	24,112
	<u>869,314</u>	<u>673,319</u>

During the year retirement benefits were accruing to 4 directors (2018: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £452,929 (2018: £230,657).

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Interest payable on bank borrowings	1,300,495	926,662
Finance charges payable under finance leases	12,797	5,529
Other interest payable	-	974
Interest on overdue taxation	-	(301,428)
	<u>1,313,292</u>	<u>631,737</u>

### 8. TAX ON PROFIT

	2019 £	2018 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	208,009	648,699
Adjustments in respect of prior years	-	(223,151)
<b>Total current tax</b>	<u>208,009</u>	<u>425,548</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	127,217	331,772
<b>Total deferred tax (see note 17)</b>	<u>127,217</u>	<u>331,772</u>
<b>Total tax on profit</b>	<u>335,226</u>	<u>757,320</u>

#### Factors affecting tax charge for the year

The standard rate of tax applied to reported profit on is 19.00% (2018: 19.83%) Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6th September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 May 2019.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 8. TAX ON PROFIT (continued)

The difference between the total tax charge shown above and the amount calculated by applying Standard rate of UK corporation tax to the profit before tax is as follows:

	2019 £	2018 £
<b>Profit before tax</b>	260,716	2,374,863
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	49,536	451,224
<b>Effects of:</b>		
Expenses not deductible for tax purposes	285,690	529,247
Adjustment in respect of prior periods	-	(223,151)
<b>Total tax charge for the year</b>	335,226	757,320

### 9. INTANGIBLE FIXED ASSETS

	Purchased goodwill £
<b>Group</b>	
<b>Cost</b>	
At 1 June 2018	16,971,290
Transferred from fixed asset investments	582,114
At 31 May 2019	17,553,404
<b>Amortisation</b>	
At 1 June 2018	(1,529,007)
Charge for the year	(855,551)
At 31 May 2019	(2,384,558)
<b>Net book value</b>	
At 31 May 2019	15,168,846
At 31 May 2018	15,442,283

The company does not have any intangible fixed assets.



**GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 May 2019**

**10. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Leasehold improvements £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>							
At 1 June 2018	1,049,580	3,441,254	14,268,946	3,977,441	2,344,912	1,948,250	27,030,383
Additions	-	466,165	2,016,920	711,916	22,261	942,119	4,159,381
Disposals	-	(258,090)	(7,815)	(416,736)	(91,878)	(22,171)	(796,690)
At 31 May 2019	1,049,580	3,649,329	16,278,051	4,272,621	2,275,295	2,868,198	30,393,074
<b>Depreciation</b>							
At 1 June 2018	132,947	2,279,269	7,990,459	2,715,333	1,921,416	1,011,781	16,051,205
Charges for the year	20,992	338,529	1,014,511	569,537	127,462	250,631	2,321,662
On disposals	-	(194,128)	(7,815)	(332,782)	(79,866)	(14,605)	(629,196)
At 31 May 2019	153,939	2,423,670	8,997,155	2,952,088	1,969,012	1,247,807	17,743,671
<b>Net book value</b>							
At 31 May 2019	895,641	1,225,659	7,280,896	1,320,533	306,283	1,620,391	12,649,403
At 31 May 2018	916,633	1,161,985	6,278,487	1,262,108	423,496	936,469	10,979,178

Included within the net book value of £12,649,403 is £2,063,384 (2018: £646,786) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £270,084 (2018: £207,949). In 2017, a government grant of £375,000 was received in line with capital investment targets for plant and machinery being met, this was allocated to deferred income, further grants of £1,125,500 have been received in the year. Consequently £255,375 (2018: £112,500) of this amount to date has been amortised into the profit and loss account against plant and machinery depreciation which has not impacted the balance sheet.

The brought forward cost above includes assets acquired on the acquisition of GAP 2 Limited where General All Plastics Limited purchased the net trading assets of Jackson Sales Limited from SIG Trading Limited. Further details can be found in note 28.

The company does not have any intangible fixed assets.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 11. FIXED ASSET INVESTMENT

	Shares in group undertakings £
<b>Company</b>	
<b>Cost</b>	
At 1 June 2018 and 31 May 2019	3,702,983
<b>Net book value</b>	
At 31 May 2018 and 31 May 2019	3,702,983

The company has the following subsidiary undertakings as at 31 May 2019:

	Class of share capital held	Proportion held by parent company %	Proportion held by group %	Nature of business
General All Purpose Plastics Holdings Limited	"A" Ordinary "B" Ordinary	100 100	100 100	Holding company
G.A.P. Scotland Limited	"A" Ordinary "B" Ordinary "C" Ordinary	100 100 100	100 100 100	Dormant
General All Purpose Plastics Limited	Ordinary	-	100	Distribution of PVCu products
Rockdoor Limited	Ordinary	-	100	Dormant
Homeline Building Products Limited	Ordinary	-	100	Dormant
Highline Building Plastics (Gateshead) Limited	Ordinary	-	100	Dormant
North Wales Building Plastics Limited	Ordinary	-	100	Dormant
Weatherseal Insulation Limited	Ordinary	-	100	Dormant

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

### 12. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials	4,538,146	3,588,356	-	-
Goods purchased for resale/finished goods	10,683,722	9,074,681	-	-
	<u>15,221,868</u>	<u>12,663,037</u>	<u>-</u>	<u>-</u>

The directors do not consider there to be a material difference between the year-end stock value and its replacement cost.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 13. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	8,604,012	12,991,946	-	-
Amounts owed by group undertaking	-	-	924,898	924,898
Other debtors	981,986	-	244	244
Directors' loan account (see note 22)	592,109	316,172	-	-
Prepayments and accrued income	3,773,984	2,679,690	-	-
Amounts owed by related parties	326,264	554,993	-	-
	<u>14,278,355</u>	<u>16,542,801</u>	<u>925,142</u>	<u>925,142</u>

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

### 14. CREDITORS: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans, other loans and overdraft	2,534,900	2,904,344	-	-
Deferred consideration	2,300,000	2,300,000	-	-
Amounts due under finance leases	492,978	213,765	-	-
Trade creditors	12,958,150	9,067,175	-	-
Corporation tax payable	208,009	190,247	-	-
Other taxation and social security	2,379,680	3,182,344	-	-
Other creditors	556,253	1,106,455	-	-
Accruals and deferred income	5,788,181	8,937,673	-	-
	<u>27,218,151</u>	<u>27,902,003</u>	<u>-</u>	<u>-</u>

The bank overdraft is secured by a debenture from General All Purpose Plastics Group Limited and a counter indemnity.

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

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

Deferred consideration has arisen on the acquisition of GAP 2 Limited and is due on a turnover target percentage of specification customers.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 15. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts due under finance leases	1,584,076	370,435	-	-
Bank and other loans	18,312,647	16,750,000	-	-
	<u>19,896,723</u>	<u>17,120,435</u>	<u>-</u>	<u>-</u>

The bank and other loans are made up of an initial borrowing from Barclays Bank PLC of £10,000,000 and an initial borrowing of £8,000,000 from Crown Oil Treasury Limited.

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

The Crown Oil Treasury Loan Limited is unsecured, repayable on demand and subject to interest rate of 7.45% above the interest base rate.

Borrowings are payable as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Between one and five years	16,396,723	12,370,435	-	-
Greater than 5 years	3,500,000	4,750,000	-	-
	<u>19,896,723</u>	<u>17,120,435</u>	<u>-</u>	<u>-</u>

### 16. FINANCIAL INSTRUMENTS

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Financial Assets</b>				
Measured at undiscounted amount receivable				
Trade and other debtors (see note 13)	10,178,107	13,308,118	244	244
Amounts owed by group undertaking	-	-	924,898	924,898
Amounts owed by related parties	326,264	554,993	-	-
Cash	2,841,750	2,229,892	-	-
<b>Financial Liabilities</b>				
Measured at undiscounted amount payable				
Trade and other payables (see note 14)	12,958,150	9,067,175	-	-
Bank overdraft (see note 14)	-	1,386,729	-	-
Bank loan due within one year (see note 14)	2,534,900	1,517,615	-	-
Bank loan due greater than one year (see note 15)	18,312,646	16,750,000	-	-
Measured at amortised cost				
Obligations under finance leases due within One year (see note 14)	492,978	213,765	-	-
Obligations under finance leases due after More than one year (see note 15)	1,584,076	370,435	-	-

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 17. DEFERRED TAX

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Asset at beginning of year	(248,339)	83,433	-	-
Credited/(charged) in the year	(127,217)	(331,772)	-	-
Asset/(liability) at end of year	<u>(375,556)</u>	<u>(248,339)</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	(456,393)	(289,793)	-	-
Short term timing differences	80,837	41,454	-	-
	<u>(375,556)</u>	<u>(248,339)</u>	<u>-</u>	<u>-</u>

During the year beginning 1 June 2019, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £Nil. This is due to short term timing differences reversing out into the next year.

### 18. PROVISIONS

	<b>Warranty provision</b>	<b>Dilapidations provision</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group</b>			
At 1 June 2018	647,678	877,414	1,525,092
New Provision	-	395,374	395,374
At 31 May 2019	<u>647,678</u>	<u>1,272,788</u>	<u>1,920,466</u>

#### Warranty provision

A provision of £647,678 (2018: £647,678) has been recognised for expected warranty claims on products sold by the company. The provision will unwind over the next 10 years.

#### Dilapidations provision

A provision of £1,272,788 (2018: £877,414) has been recognised for anticipated site restoration costs on leased properties. The provision will unwind when the properties are vacated.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 19. CALLED UP SHARE CAPITAL

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
13,331 "A" Ordinary shares of £0.01 each	133	133
20,000 "B" Ordinary shares of £0.01 each	200	200
4,444 "C" Ordinary shares of £0.01 each	44	44
4,627,681 Redeemable preference shares of £1 each	4,627,681	4,627,681
6,669 "D" Ordinary shares of £0.01 each	67	67
	<u>4,628,125</u>	<u>4,628,125</u>

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

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

#### Income

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

#### Capital

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

#### Voting

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

#### Redemption

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

#### Profit and loss reserve

This reserve records retained earnings and accumulated losses.

### 20. DIVIDENDS

	2019 £	2018 £
Final paid – £53.44 (2018 – £Nil) per ordinary 'C' share	<u>237,486</u>	<u>-</u>

The dividends paid in the year relates to payments made to directors loan account. See note 22.

### 21. PENSIONS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered scheme. The pension charge represents contributions payable by the group to the scheme and amounted to £581,148 (2018: £460,595).

Included within accruals is £58,954 (2018: £53,296) in relation to outstanding contributions.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 May 2019

### 22. RELATED PARTY TRANSACTIONS

A D Greensmith and S D Bird, directors of the company, are also designated members in Bridgemere Properties LLP. At 31 May 2019 the company owed Bridgemere Properties LLP £Nil (2018: £Nil). Purchases from Bridgemere Properties amounted to £255,408 (2018: £255,408). During the year the company made payments to external suppliers on Bridgemere Properties LLP's behalf, therefore at 31 May 2019 Bridgemere Properties LLP owed the company £35,451 (2018: £25,426). This has been included in amounts owed from related parties.

During the year, the group has made payments on behalf of a related party totalling £7,432. The total amount outstanding as at 31 May 2019 is £144,762 (2018: £137,330) included in amounts owed from related parties. The amount is unsecured and repayable upon demand.

A D Greensmith is a trustee in GAP Limited No.1 FURBS and GAP Limited No.3 FURBS. At 31 May 2019 GAP Limited No.1 FURBS owed the company £139,641 (2018: £120,000) and GAP Limited No.3 FURBS owed the company £85,343 (2018: £73,533).

S D Bird is a trustee in GAP Limited No.2 FURBS, GAP Limited No.4 FURBS and GAP Limited No.5 FURBS. At 31 May 2019 GAP Limited No.2 FURBS owed the company £43,442 (2018: £37,623), GAP Limited No.4 FURBS owed the company £43,536 (2018: £37,380) and GAP Limited No.5 FURBS owed the company £41,973 (2018: £36,154).

A D Greensmith is a director of Crown Oil Limited. The company made sales to Crown Oil Limited in the year amounting to £128 (2018: £1,432) and purchases amounted to £1,086,095 (2018: £1,003,007). At 31 May 2019 the company owed Crown Oil Limited £152,204 (2018: £189,837).

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

	2019 £	2018 £
S M T Brayshaw	13,952	102,511
A D Greensmith	(120,043)	(17,523)
S D Bird	(486,018)	(401,160)
	<u>(592,109)</u>	<u>(316,172)</u>

The maximum overdrawn balances during the year on the A D Greensmith, S D Bird and S M T Brayshaw directors' loan accounts were £120,043 (2018: £109,104), £486,018 (2018: £407,742) and £Nil (2018: £Nil) respectively.

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

### 23. CAPITAL COMMITMENTS

The group and company had no capital commitments at 31 May 2019 or 31 May 2018.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 May 2019

### 24. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 Property £	2019 Other £	2018 Property £	2018 Other £
- Within one year	2,367,122	86,765	2,041,537	167,773
- Between one and five years	6,708,657	30,577	2,585,460	135,641
- More than five years	3,455,009	-	5,692,975	-

### 25. CONTINGENT LIABILITIES

The group's overdraft and loan facilities are secured by a cross guarantee supported by debentures from group companies including General All Purpose Plastics Limited, GAP 2 Limited, General All Purpose Plastics Holdings and General All Purpose Plastics Group Limited.

No liability is expected to arise under this guarantee. The maximum liability at 31 May 2019 is £8,500,000 (2018: £11,386,729).

### 26. ULTIMATE CONTROLLING PARTY

The group is under the common control of the directors.

### 27. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations:

	2019 £	2018 £
Operating profit	1,569,418	3,006,257
Adjustment for:		
Depreciation and amortisation	3,034,340	2,968,620
Loss/(Profit) on sale of tangible fixed assets	(3,726)	91,548
Interest paid excluding finance leases	(1,300,495)	(626,208)
Income taxes paid	(420,506)	(651,849)
Operating cash flow before movement in working capital	2,879,031	4,788,368
(Increase)/decrease in stocks	(2,558,832)	736,795
(Decrease)/increase in debtors	2,494,704	(5,990,621)
(Decrease)/increase in creditors	(468,507)	4,707,491
Increase in provisions	395,375	430,861
<b>Cash used in generated by operations</b>	<b>2,741,771</b>	<b>4,672,894</b>

#### *Non-cash transactions*

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £1,802,338 (2018: £878,268).



# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2019

### 28. BUSINESS COMBINATIONS

On 3 August 2017 the group acquired one hundred per cent of the issued share capital of Jackmon Sales Limited from SIG Trading Limited, a company whose primary activity is distribution of PVCu doors, window accessories and building products, for consideration comprising the issue of 1 ordinary shares of £1 each in the company.

The net trading assets of the company was acquired as a result of this transaction Jackmon Sales Limited is now a wholly owned subsidiary of General All Purpose Plastics Limited and has been renamed as Gap 2 Limited.

The acquisition of the trading assets amounted to £18,000,000, which has been financed by external lenders. The total fair value of the purchase was £22,213,719. The company is trading under the name GAP 2 Limited company number 10682325.

In accordance with section 615 of the Companies Act 2006, the company has taken no account of any premium on the shares issued and has recorded the cost of the investment at the nominal value of the shares issued.

The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value:

	Book value £	Other adjustments £	Fair value to Company £
<b>Fixed assets</b>			
Tangible	393,513	-	393,513
<b>Current assets</b>			
Stocks	5,785,314	(543,049)	5,242,265
Debtors	716,169	-	716,169
Cash	21,718	-	21,718
<b>Total assets</b>	<u>6,916,714</u>	<u>(543,049)</u>	<u>6,373,665</u>
Net assets	<u>6,916,714</u>	<u>(543,049)</u>	<u>6,373,665</u>
Goodwill			<u>16,596,603</u>
			<u>22,970,268</u>
<b>Satisfied by</b>			
Cash Consideration			18,000,000
Deferred consideration			2,300,000
Costs attributable to the acquisition			<u>2,670,268</u>
			<u>22,970,268</u>

In the year ended 31 May 2019, turnover of £17,404,916 (2018: £38,703,220) and loss before tax of £2,736,629 (2018: £4,350,663) has been included in the consolidated profit and loss account of General All Purpose Plastics Group Limited company number 05635001, in respect of GAP 2 Limited since the acquisition date.