

THE BRITISH PLASTICS FEDERATION

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

WEDNESDAY



AA4TØ8DK

A21

19/05/2021

#14

COMPANIES HOUSE

THE BRITISH PLASTICS FEDERATION

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activities

The British Plastics Federation is the principal trade association representing the interests of the plastics industry in the United Kingdom. The Federation's affairs are controlled by a Council, the members of which are elected and receive no remuneration.

Business review

The year of 2020 was perhaps the most challenging post war year that the world and in particular the UK economy has had to face. Already embroiled in the challenge of Brexit and beset by uncertainties and political instability, a world pandemic in the form of COVID-19 ravaged businesses and necessitated a new way of working. Within this maelstrom, the Federation was able to immediately adapt and rise to the task of providing essential guidance and information to the membership, industry and indeed the Government. Previous investment in IT and infrastructure enabled our group meetings, events and seminars to continue in an online format and our talented team of staff demonstrated the full value of the Federation.

The BPF's financial results reflected the COVID situation with our events, trade shows and catering facilities income decimated however this was more than offset by a reduction in associated costs and prudent financial control of general costs.

Total income for 2020 £2,722,177 (2019: £3,191,532) reduced for the aforementioned reasons but we were highly encouraged by net growth in our core membership income.

Administrative expenses at £2,583,778 (2019: £3,133,156) reflected the absence of physical meetings, events and trade shows. Spending on communications and engagement was maintained at strong levels and investment in new and innovative areas including an online training platform and waste strategy projects continued. As ever, our commitment to investments in staff and infrastructure continued. All in all, the maintenance of strong and responsive financial systems and controls enabled a stable financial performance.

The financial outcome in this year reflects another positive result for the Federation, generating a surplus after tax of £96,991 (2019: £37,264) and a continued strengthening of the organisation's balance sheet and reserves.

The Federation's management and committees have considered the effect of the COVID-19 pandemic and due to the strong financial position and high cash reserves believe it will be possible to continue to function at the current high level and standards. They have also continued to adopt the going concern basis of accounting due to the above. Further details are included in the going concern accounting policy on page 9.

The BPF's Council of members agreed that membership subscriptions should not increase for 2021 as a measure of support to members in difficult financial times.

Results and dividends

The surplus after taxation for the year ended 31 December 2020 was £96,991. No dividend is payable and accordingly £96,991 is transferred to reserves.

THE BRITISH PLASTICS FEDERATION

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

P K Law

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 a director must not approve the financial statements unless he is 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 those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Fixed assets

The changes in fixed assets are detailed in Note 12 to the financial statements. The principal acquisitions in the year related to computer equipment.

Statement of disclosure to auditor

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

THE BRITISH PLASTICS FEDERATION

DIRECTOR'S REPORT

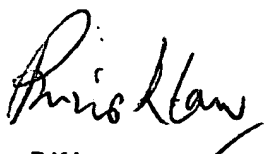
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

This report is prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



P K Law
Director

Date

7th April, 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PLASTICS FEDERATION

Opinion

We have audited the financial statements of The British Plastics Federation (the 'company') for the year ended 31 December 2020 which comprise the Statement of Total Comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PLASTICS FEDERATION

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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the director's report.

Responsibilities of the director

As explained more fully in the director's responsibilities statement set out on page 2, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PLASTICS FEDERATION

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection Regulation. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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

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.

RSM UK Audit LLP

Sarah Mason (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street, London, EC4A 4AB

Date: 8 April 2021

THE BRITISH PLASTICS FEDERATION

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	£	2019 £	£
Income	2				
Subscriptions and affiliation fees		1,284,621		1,258,702	
Other income		<u>1,437,556</u>		<u>1,932,830</u>	
			2,722,177		3,191,532
Expenditure					
Administrative expenses			<u>(2,583,778)</u>		<u>(3,133,156)</u>
Operating surplus			138,399		58,376
Interest receivable			1,263		7,596
Interest payable			<u>(3,561)</u>		<u>(5,051)</u>
Surplus on ordinary activities before taxation	4		136,101		60,921
Taxation	7		(39,110)		(23,657)
Surplus after taxation			<u>96,991</u>		<u>37,264</u>
Other comprehensive income (net of tax)					
Revaluation of land and buildings	12		515,711		-
Movements on deferred tax relating to land and building revaluation	14		(65,737)		(10,392)
Other comprehensive income			<u>449,974</u>		<u>(10,392)</u>
Total comprehensive income for the year			<u>546,965</u>		<u>26,872</u>

THE BRITISH PLASTICS FEDERATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

Company Registration No. 00282883

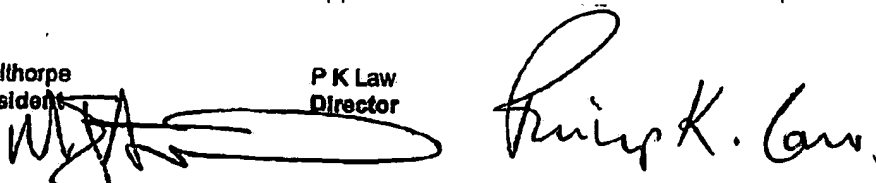
	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	3,892,636		3,444,320	
Investment in subsidiary	3	<u>1</u>		<u>1</u>	
			3,892,637		3,444,321
Current assets					
Trade debtors		1,001,555		1,135,066	
Other debtors		37,735		22,280	
Amounts due from subsidiary undertaking		5,825		98,048	
Prepayments and accrued income		79,787		116,590	
Cash in hand and at bank		<u>2,042,829</u>		<u>1,647,728</u>	
		<u>3,167,731</u>		<u>3,019,712</u>	
Creditors: amounts falling due within one year					
Bank loan		18,953		17,274	
Trade creditors		113,666		171,495	
Amount owed to group companies		4,541		4,541	
Other creditors		931,424		930,843	
Other taxation and social security		331,724		278,798	
Corporation Tax		39,110		23,657	
Accruals and deferred income		140,506		118,288	
Subscriptions in advance		<u>1,285,663</u>		<u>1,316,644</u>	
		<u>2,865,587</u>		<u>2,861,540</u>	
Net current assets			<u>302,144</u>		<u>158,172</u>
Total assets less current liabilities			4,194,781		3,602,493
Creditors: amounts falling due after one year	13		(192,800)		(213,214)
Provision for liabilities	14		<u>(341,879)</u>		<u>(276,142)</u>
Net assets			<u>3,660,102</u>		<u>3,113,137</u>
Revaluation reserve	15		2,827,113		2,423,308
Accumulated fund	15		<u>832,989</u>		<u>689,829</u>
			<u>3,660,102</u>		<u>3,113,137</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved and authorised for issue on 7 April 2021.

M Althorpe
President

P K Law
Director



THE BRITISH PLASTICS FEDERATION

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

	Revaluation reserve £	Accumulated fund £	Total £
Balance at 1 January 2019	2,479,869	606,396	3,086,265
Surplus for the year	-	37,264	37,264
Other comprehensive income, net of tax:			
Deferred tax in relation to revaluation of land and buildings	(10,392)	-	(10,392)
Total comprehensive income for the year	<u>(10,392)</u>	<u>37,264</u>	<u>26,872</u>
Transfer to accumulated fund *	(46,169)	46,169	-
Balance at 31 December 2019	<u>2,423,308</u>	<u>689,829</u>	<u>3,113,137</u>
Surplus for the year	-	96,991	96,991
Other comprehensive income, net of tax:			
Revaluation land and buildings	515,711	-	515,711
Deferred tax in relation to revaluation of land and buildings	(65,737)	-	(65,737)
Total comprehensive income for the year	<u>449,974</u>	<u>96,991</u>	<u>546,965</u>
Transfer to accumulated fund *	(46,169)	46,169	-
Balance at 31 December 2020	<u><u>2,827,113</u></u>	<u><u>832,989</u></u>	<u><u>3,660,102</u></u>

*Amortisation of revaluation reserve in line with depreciation of freehold buildings.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

1 Accounting Policies

i) General information

The British Plastics Federation is a company limited by guarantee, domiciled and incorporated in England. The address of the companies registered office and principal place of the business is 6 Bath Place, Rivington Street, London, EC2A 3JE.

The company's principle activities are as stated in the director's report.

ii) Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise stated.

iii) Going concern

The financial statements have been prepared on a going concern basis. The Director has considered the surplus for the period and statement of financial position at the accounting date and reviewed the forecasts to ensure the company will be in a position to meet its liabilities as they fall due over the next 12 months. In arriving at this conclusion, the Director has taken account of current and anticipated financial performance in the current economic conditions, the Federation's healthy reserves position and strong cash position. Although the economic impacts of the COVID-19 outbreak have been significant, the Federation has been able to adapt accordingly in financial terms as well as its services to the membership. The Director has reviewed in detail the Federation's position and the appropriate basis on which to prepare the financial statements. The Director anticipates that there will be some adverse impacts on certain income streams but these will be largely offset by cost reduction in said areas. The Director has considered projections for the year ended 2021 and 2022, which were prepared to stress test the financial resilience of the Federation. The projections take into account in particular the potential drop in income. Stress testing of the Federation's financial position has satisfied the Director that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak. Whilst the Director recognises that 2021 will be a challenging year, it is anticipated that a neutral financial position will be maintained and therefore no necessity to draw on the Federation's reserves, he has concluded that it remains appropriate to prepare the financial statements of the Federation on the going concern basis.

iv) Members' subscriptions

Members' subscriptions represent amounts receivable in respect of the 2020 annual subscription, excluding value added tax.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

1 Accounting Policies (continued)

v) Other income

Other income is recognised at full selling price for which the company has a right to consideration. This includes a management fee from sponsored events and other project related activities, excluding value added tax. Professional services, management fees and rental income are also included within other income.

vi) Government Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

vii) Fixed assets and depreciation

Tangible fixed assets, except freehold properties, are measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% of valuation
Furniture and fittings	10% to 20% of cost
Computer equipment	33 1/3% of cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

viii) Revaluation of properties

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in comprehensive income or a revaluation loss exceeds the accumulated revaluation gains in equity, such gains and losses are recognised in comprehensive income.

ix) Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Federation estimates the recoverable amount of the asset.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

1 Accounting Policies (*continued*)

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

x) Group accounts

BPF Energy Limited was incorporated on the 26 June 2009 as a wholly owned subsidiary of the Federation with issued share capital of £1. It has traded in the year but has not been consolidated as the director has taken the exemptions available to small groups. These financial statements present the financial position and financial performance of the Federation as a single entity.

xi) Leases

Company as lessee – operating leases

Expenditure on operating leases is charged to the statement of comprehensive income on a straight-line basis over the lease term.

Company as lessor – operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

xii) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable surplus for the year. Taxable surplus differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable surplus and total

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

1 Accounting Policies (*continued*)

comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

xiii) Pension costs

The Federation operates a group personal pension arrangement for employees. The amounts charged to the statement of total comprehensive income in respect of pension costs are the contributions payable in the year.

xiv) Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

1 Accounting Policies (*continued*)

the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in comprehensive income for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in comprehensive income.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

2 Income

The company's income is derived largely within the UK with the exception of a proportion of project income of £4,659 (2019: £4,313) which is generated from Europe.

An analysis of the company's income by class of business is as follows:

	2020	2019
	£	£
Subscription income and affiliation fees	1,284,621	1,258,702
Property rental income	198,068	215,675
Professional services	1,082,598	1,049,279
Events	49,385	422,965
Projects	4,659	165,878
Catering	18,344	56,852
On-line & publications	18,785	21,021
Grant income – Coronavirus Job Retention Scheme	21,633	-
Other income	44,084	1,160
	<u>2,722,177</u>	<u>3,191,532</u>

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

3 Subsidiaries

The company has interests in various companies as follows:

	% held	Status	Country of incorporation	Net assets as at 31/12/20	Surplus for the year to 31/12/20	Nature of Business
The Plastics and Rubber Advisory Service (PRAS)	100	Dormant	England and Wales	£4,541	Nil	Advisory Consultancy
BPF Energy Limited	100	Active	England and Wales	£308,052	£24,857	Administrative Services

The PRAS accumulated fund is £4,541 (2019: £4,541), amount owed by parent undertaking £4,541 (2019: £4,541).

During the year the company charged its subsidiary BPF Energy Limited £838,490 (2019: £838,161) in respect of management & administrative services. At the end of the year £5,825 was due from BPF Energy Limited (2019: £98,048 was due from BPF Energy Limited.).

4 Surplus on ordinary activities before taxation

	2020 £	2019 £
(i) Administrative expenses include:		
Staff costs – Wages and salaries	1,194,438	1,160,910
Social security costs	139,535	117,934
Pension costs - defined contribution schemes	160,563	154,467
	<u>1,494,536</u>	<u>1,433,311</u>
Repairs & Maintenance	79,736	45,632
Professional Fees	61,577	57,178
Depreciation	77,154	78,816
Auditor's remuneration - audit services	19,400	16,226
Operating lease rentals (hire of equipment)	<u>10,351</u>	<u>11,603</u>
(ii) Interest payable on:		
Bank Loan-secured on property	<u>3,561</u>	<u>5,051</u>
(iii) Other income includes:		
Rental Income under Lease Agreements	198,068	215,675
Services Agreements	<u>1,082,598</u>	<u>1,049,279</u>
	<u>1,280,666</u>	<u>1,264,954</u>
(iv) Grants for projects:		
EU funded projects	<u>4,659</u>	<u>4,313</u>

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

5 Director's emoluments

	2020 £	2019 £
Emoluments	209,169	204,676
Company contributions to money purchase pension schemes	-	-
	<u>209,169</u>	<u>204,676</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 1).

6 Employees

	2020 No	2019 No
Average number of employees during the year	<u>25</u>	<u>26</u>

7 Taxation

A UK corporation tax provision for current tax in the year has been made of £39,110 (2019: £23,657).

TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2020 £	2019 £
Current tax		
UK corporation tax	39,110	23,657
Total current tax	<u>39,110</u>	<u>23,657</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Surplus on ordinary activities before tax	<u>136,101</u>	<u>60,921</u>
Surplus on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%).	25,859	11,575
Effects of:		
Expenses not deductible for tax purposes	15,234	16,400
Capital allowances claimed	(1,983)	(4,318)
Current tax charge for the year	<u>39,110</u>	<u>23,657</u>

A deferred tax adjustment of (£65,737) (2019: (£10,392)) relating to the revaluation of the Federation's freehold property has been recognised in other comprehensive income.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

7 Taxation (continued)

A deferred tax liability of £2,975 (2019: £3,968) arising on accelerated capital allowances relating to non-freehold assets has not been recognised in the accounts as it is not considered material.

The company's corporation tax liability has been shown separately on the face of the statement of financial position within creditors. In prior years the amount has been included within taxation and social security costs.

8 Commitments under operating leases

The company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for office equipment are as follows:

	2020 £	2019 £
Amounts due:		
Within one year	10,489	9,983
Between one and five years	6,826	17,534
	<u>17,315</u>	<u>27,517</u>

The company as lessor:

At the year end the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	2020 £	2019 £
Amounts receivable:		
Less than one year	81,755	90,840
Between one and five years	110,519	201,114
	<u>192,274</u>	<u>291,954</u>

9 Retirement benefits

Defined contribution

The Federation operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Federation in an independently administered fund. The contributions payable by the Federation charged to comprehensive income amounted to £160,563 (2019: £154,467). The amount outstanding at the end of the year was £3,094 (2019: £3,041).

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

10 Grant agreement funds

Pre-financing received against approved research & development grants is currently held by the BPF for the future benefit of consortium members in a separately designated bank account. The cash held at the year-end of €161 (2019: €161) has not been reported in these financial statements as the conditions for the distribution of these funds have not been met as at 31 December 2020.

11 Constitution

The Federation is a company limited by guarantee. The liability of each member is limited to £1. The Federation has a total of 474 corporate members as at 31 December 2020 (2019: 467).

12 Tangible fixed assets

	Freehold premises £	Furniture & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	3,685,000	63,013	111,549	3,859,562
Additions	-	-	9,759	9,759
Revaluation	175,000	-	-	175,000
At 31 December 2020	3,860,000	63,013	121,308	4,044,321
Depreciation				
At 1 January 2020	283,926	35,330	95,986	415,242
Charge for the year	56,785	7,951	12,418	77,154
Revaluation	(340,711)	-	-	(340,711)
At 31 December 2020	-	43,281	108,404	151,685
Net book value				
At 31 December 2020	3,860,000	19,732	12,904	3,892,636
At 31 December 2019	3,401,074	27,683	15,563	3,444,320

The Federation has given a fixed charge over the freehold property at 6 Bath Place as security for its bank loan facility.

The freehold property was valued on an existing use open market value basis at the 31 December 2020 by Tyser Greenwood, Chartered Surveyors, at a market value of £3,860,000. The land was valued at £885,129 and buildings £2,974,871.

The property was originally acquired at a cost of £1,132,069.

A combined area of 3,228 sq ft or 33% of the total freehold property (2019: 3,483 sq ft or 36%) is rented out to four tenants (2019: five tenants) under separate operating lease agreements.

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

12 Tangible fixed assets (*continued*)

If land and buildings were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Land and buildings	
	2020	2019
	£	£
Cost	1,132,069	1,132,069
Accumulated depreciation	490,409	472,245
Carrying amount	<u>641,660</u>	<u>659,824</u>

13 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loan	<u>192,800</u>	<u>213,214</u>

The bank loan is secured by a fixed charge on 6 Bath Place, London, EC2A 3JE.

The Federation makes monthly repayment of the bank borrowing of an agreed amount to include capital plus an interest rate of 1.37% above the base rate.

14 Provisions for liabilities

	Deferred taxation	
	£	
At 1 January 2020		276,142
Provision adjusted in the year		65,737
At 31 December 2020		<u>341,879</u>
Deferred tax liabilities:	2020	2019
	£	£
Valuation of land and buildings	341,879	276,142
	<u>341,879</u>	<u>276,142</u>

THE BRITISH PLASTICS FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

15 Reserves

Reserves of the company represent the following:

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Accumulated fund

Cumulative surplus or deficit.

16 Related party transactions

During the year, the Federation provided administration services of £838,490 (2019: £838,161) to assist BPF Energy Limited, the Federation's wholly owned subsidiary, to administer the Plastics Sector Climate Change Agreement (CCA). At the year-end £5,825 was owed by BPF Energy to the Federation (2019: £98,048 owed by BPF Energy to the Federation).

Oversight of the Federation is carried out by the council which consists of elected individuals from members of the BPF.

Owing to the nature of the Federation's operations and the composition of the Council, transactions may take place with Council members or organisations in which a member of the Council has an interest. All transactions involving such organisations or individuals are conducted in accordance with the Federation's financial regulations and normal procurement procedures.