

**ALMA PRODUCTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Company Registration No. 01665868 (England and Wales)**

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# ALMA PRODUCTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D Blundell Mr J S Dick
<b>Secretary</b>	Mr D Blundell
<b>Company number</b>	01665868
<b>Registered office</b>	Unit 18 Evenwood Grove Daresbury Court Runcorn Cheshire WA7 1LZ
<b>Auditor</b>	DSG Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL
<b>Bankers</b>	The Royal Bank of Scotland
<b>Solicitors</b>	Bermans LLP

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# **ALMA PRODUCTS LIMITED**

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# **ALMA PRODUCTS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present the strategic report for the year ended 31 December 2016.

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

The results for the year are shown on page 7. The consolidated result before taxation for the year ended 31 December 2016 was a profit of £1,066,544 (2015: £944,171).

Overall Group operating profit increased substantially year-on-year primarily because of the relative stability of polymer prices throughout the period. As previously reported the Group's profitability is sensitive to polymer price developments and therefore requires careful management and control of pricing arrangements with both suppliers and customers. The Directors believe that they have in place the pricing systems required to achieve the desired profitability on a sustainable basis as the Group is able to pass on the majority of polymer price increases to its customers through agreed contractual terms providing an effective hedge against polymer prices increases albeit with a time lag.

### **Principal risks and uncertainties**

The principle risks and uncertainties facing the Group continue to revolve around polymer price volatility and the continuing refusal of UK and European retailers to compensate suppliers in full for the continued increases in energy, transport and ancillary packaging material costs - all of which are largely due to factors beyond the control of the group.

### **Key performance indicators**

The Group's key performance indicators are sales volumes in tonnes processed and the average margin and contribution to overheads achieved. Improvements in operational performance coupled with a major investment in a new production line at Alma Extrusions AG have created additional manufacturing capacity that shall allow for further growth in the coming year.

At Alma Products Limited, sales volumes were up 1.6% versus prior. The Directors anticipate strong growth for the coming year as the full annualised financial affect of new development projects impacts upon results.

At Alma Extrusions AG, sales volumes declined slightly year-on-year but the reduced volatility of polymer prices meant an improvement in operating profit. The Company is a niche market player, predominantly producing specialist high added value multi-layer extruded sheet primarily for long shelf life applications the popularity of which continues to grow. The investment in a new production line, mentioned above, gives the company exciting growth potential.

The Group's focus continues to be on the production of material for the food packaging market which is much less affected in general terms by the economic climate than other industrial companies/segments. The food product packaged with the Group's products are seen by consumers as integral and necessary items on the daily menu rather than something they can or will easily defer from. As a result the Group's main business segment continues to hold up reasonably well.

The Directors remain confident in the Group's future growth potential.

On behalf of the board



Mr D Blundell

**Director**

31 July 2017

# **ALMA PRODUCTS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their annual report and financial statements for the year ended 31 December 2016.

#### **Principal activities**

The principal activity of the company and group continued to be that of the manufacture and marketing of plastic products, primarily multi and mono-layered sheet for the food industry and the manufacture of thermoforming cups and trays for the food packaging market. In addition, the Group and Company is involved in the use of recycled materials for non-food applications.

#### **Directors**

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

Mr D Blundell  
Mr J S Dick

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Financial instruments**

##### ***Liquidity risk***

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

##### ***Interest rate risk***

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

##### ***Foreign currency risk***

The group's principal foreign currency exposures arise from trading with overseas companies.

##### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **Auditor**

The auditor, DSG Chartered Accountants, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

# **ALMA PRODUCTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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On behalf of the board



Mr D Blundell

**Director**

31 July 2017

# **ALMA PRODUCTS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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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). 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 group and company, 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 judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **ALMA PRODUCTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ALMA PRODUCTS LIMITED**

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We have audited the financial statements of Alma Products Limited for the year ended 31 December 2016 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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



# **ALMA PRODUCTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALMA PRODUCTS LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

*Iain White*

**Iain White BSc FCA (Senior Statutory Auditor)  
for and on behalf of DSG Chartered Accountants**

31 July 2017

**Chartered Accountants  
Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# ALMA PRODUCTS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	23,729,922	22,873,221
Cost of sales		(15,644,769)	(15,013,669)
<b>Gross profit</b>		<b>8,085,153</b>	<b>7,859,552</b>
Distribution costs		(274,972)	(262,121)
Administrative expenses		(6,935,450)	(6,613,264)
Other operating income		258,133	46,214
<b>Operating profit</b>	<b>4</b>	<b>1,132,864</b>	<b>1,030,381</b>
Interest receivable and similar income	8	9,758	728
Interest payable and similar expenses	9	(76,078)	(86,938)
<b>Profit before taxation</b>		<b>1,066,544</b>	<b>944,171</b>
Taxation	10	(63,862)	(9,537)
<b>Profit for the financial year</b>		<b>1,002,682</b>	<b>934,634</b>

Profit for the financial year is all attributable to the owners of the parent company.

# **ALMA PRODUCTS LIMITED**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,002,682	934,634
<b>Other comprehensive income</b>		
Currency translation differences	873,826	166,450
<b>Total comprehensive income for the year</b>	<u>1,876,508</u>	<u>1,101,084</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# ALMA PRODUCTS LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	11		1,472		13,320
Tangible assets	12		5,803,440		3,302,425
Other financial assets			39,822		33,918
			<u>5,844,734</u>		<u>3,349,663</u>
<b>Current assets</b>					
Stocks	16	1,857,672		2,249,893	
Debtors	17	3,601,551		2,603,387	
Cash at bank and in hand		1,977,630		1,009,234	
			<u>7,436,853</u>		<u>5,862,514</u>
<b>Creditors: amounts falling due within one year</b>	18		<u>(4,880,817)</u>		<u>(4,233,266)</u>
<b>Net current assets</b>			<u>2,556,036</u>		<u>1,629,248</u>
<b>Total assets less current liabilities</b>			<u>8,400,770</u>		<u>4,978,911</u>
<b>Creditors: amounts falling due after more than one year</b>	19		<u>(1,967,641)</u>		<u>(422,290)</u>
<b>Net assets</b>			<u><u>6,433,129</u></u>		<u><u>4,556,621</u></u>
<b>Capital and reserves</b>					
Called up share capital	24	1,000,000		1,000,000	
Revaluation reserve		299,268		299,268	
Capital contribution reserve		2,383,954		2,383,954	
Profit and loss reserves		2,749,907		873,399	
<b>Total equity</b>			<u><u>6,433,129</u></u>		<u><u>4,556,621</u></u>

The financial statements were approved by the board of directors and authorised for issue on 31 July 2017 and are signed on its behalf by:



Mr D Blundell  
Director

# ALMA PRODUCTS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	11		1,472		13,320
Tangible assets	12		1,060,302		1,310,520
Investments	13		2,383,954		2,383,954
			<u>3,445,728</u>		<u>3,707,794</u>
<b>Current assets</b>					
Stocks	16	543,500		585,188	
Debtors	17	1,395,979		1,139,190	
Cash at bank and in hand		183,570		122,756	
		<u>2,123,049</u>		<u>1,847,134</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(2,953,572)</u>		<u>(2,973,478)</u>	
<b>Net current liabilities</b>			<u>(830,523)</u>		<u>(1,126,344)</u>
<b>Total assets less current liabilities</b>			2,615,205		2,581,450
<b>Creditors: amounts falling due after more than one year</b>	19		(198,567)		(422,290)
<b>Net assets</b>			<u>2,416,638</u>		<u>2,159,160</u>
<b>Capital and reserves</b>					
Called up share capital	24		1,000,000		1,000,000
Revaluation reserve			299,268		299,268
Capital redemption reserve			2,383,954		2,383,954
Profit and loss reserves			<u>(1,266,584)</u>		<u>(1,524,062)</u>
<b>Total equity</b>			<u>2,416,638</u>		<u>2,159,160</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £257,478 (2015 - £95,127 profit).

The financial statements were approved by the board of directors and authorised for issue on 31 July 2017 and are signed on its behalf by:



Mr D Blundell  
Director

Company Registration No. 01665868

# ALMA PRODUCTS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Revaluation reserve	Capital contribution reserve	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 January 2015</b>	1,000,000	299,268	2,383,954	(227,685)	3,455,537
<b>Year ended 31 December 2015:</b>					
Profit for the year	-	-	-	934,634	934,634
Other comprehensive income:					
Currency translation differences on overseas subsidiaries	-	-	-	166,450	166,450
Total comprehensive income for the year	-	-	-	1,101,084	1,101,084
<b>Balance at 31 December 2015</b>	1,000,000	299,268	2,383,954	873,399	4,556,621
<b>Year ended 31 December 2016:</b>					
Profit for the year	-	-	-	1,002,682	1,002,682
Other comprehensive income:					
Currency translation differences on overseas subsidiaries	-	-	-	873,826	873,826
Total comprehensive income for the year	-	-	-	1,876,508	1,876,508
<b>Balance at 31 December 2016</b>	1,000,000	299,268	2,383,954	2,749,907	6,433,129

# ALMA PRODUCTS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Revaluation reserve	Capital contribution reserve	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 January 2015</b>	1,000,000	299,268	2,383,954	(1,619,189)	2,064,033
<b>Year ended 31 December 2015:</b>					
Profit and total comprehensive income for the year	-	-	-	95,127	95,127
<b>Balance at 31 December 2015</b>	1,000,000	299,268	2,383,954	(1,524,062)	2,159,160
<b>Year ended 31 December 2016:</b>					
Profit and total comprehensive income for the year	-	-	-	257,478	257,478
<b>Balance at 31 December 2016</b>	1,000,000	299,268	2,383,954	(1,266,584)	2,416,638

# ALMA PRODUCTS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	2,449,388		1,158,048	
Interest paid		(76,078)		(86,938)	
Income taxes paid		(63,862)		(9,537)	
<b>Net cash inflow from operating activities</b>		<b>2,309,448</b>		<b>1,061,573</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(385)		(12,622)	
Purchase of tangible fixed assets		(3,039,983)		(781,749)	
Interest received		9,758		728	
<b>Net cash used in investing activities</b>		<b>(3,030,610)</b>		<b>(793,643)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(101,662)		(52,416)	
Repayment of bank loans		(53,609)		(51,826)	
Payment of finance leases obligations		2,081,670		(74,824)	
<b>Net cash generated from/(used in) financing activities</b>		<b>1,926,399</b>		<b>(179,066)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>1,205,237</b>		<b>88,864</b>	
Cash and cash equivalents at beginning of year		(484,018)		(572,882)	
<b>Cash and cash equivalents at end of year</b>		<b>721,219</b>		<b>(484,018)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		1,977,630		1,009,234	
Bank overdrafts included in creditors payable within one year		(1,256,411)		(1,493,252)	



# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

##### Company information

Alma Products Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 18, Evenwood Grove, Daresbury Court, Runcorn, Cheshire, WA7 1LZ. The principal activities of the Group and the Company are disclosed in the Directors' report.

The group consists of Alma Products Limited and all of its subsidiaries.

#### 1.1 Accounting convention

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Alma Products Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Printing plates	3 years
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	5 to 50 years
Plant and equipment	3 to 10 years
Fixtures and fittings	3 to 5 years

Freehold land is not depreciated.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Freehold land and buildings are stated at deemed cost, being the previous revaluation as at transition to FRS 102. Prior to transition date freehold land and buildings were stated at the most recent valuation less any subsequent accumulated depreciation and impairment losses. Gains on revaluation were recognised in other comprehensive income and accumulated in the revaluation reserve.

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.11 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

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.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# **ALMA PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

**(Continued)**

#### **1.17 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.18 Foreign exchange**

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Impairment of stock

The company maintains material levels of stock in order to satisfy current and future sales orders. Management reviews stock on a regular basis to ensure that there is no material accumulation of items that are obsolete or otherwise impaired. The timing and quantum of any stock impairment is a matter of management judgement which is also partially dependent on projected sales activity which is an area of uncertainty. Details of such impairments are detailed in Note 16 to these financial statements.

#### Depreciation of fixed assets

Management review the useful economic life and residual value of their fixed assets. The assets are then depreciated over their useful economic life less any residual value. Both the useful economic life and residual value of an asset are a matter of management judgement. Details of the depreciation rates can be found in Note 1.6 to these financial statements.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Sale of plastic products	23,729,922	22,873,221
	<u>23,729,922</u>	<u>22,873,221</u>
<b>Other significant revenue</b>		
Interest income	9,758	728
Grants received	-	19,500
	<u>9,758</u>	<u>19,500</u>
<b>Turnover analysed by geographical market</b>		
	2016 £	2015 £
United Kingdom	8,232,566	8,340,512
Rest of World	15,497,356	14,532,709
	<u>23,729,922</u>	<u>22,873,221</u>



# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	166,093	235,932
Government grants	-	(19,500)
Depreciation of owned tangible fixed assets	990,916	888,280
Depreciation of tangible fixed assets held under finance leases	21,920	-
(Profit)/loss on disposal of tangible fixed assets	-	22,275
Amortisation of intangible assets	12,233	16,697
Cost of stocks recognised as an expense	15,489,052	14,797,671
Operating lease charges	108,511	134,486

### 5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	10,500	15,508

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Administration	8	8	4	4
Production	69	70	42	46
Sales	3	3	2	2
	<u>80</u>	<u>81</u>	<u>48</u>	<u>52</u>

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	3,148,477	2,910,033	1,307,399	1,372,328
Social security costs	414,222	384,338	118,186	124,221
Pension costs	53,515	53,681	53,515	53,681
	<u>3,616,214</u>	<u>3,348,052</u>	<u>1,479,100</u>	<u>1,550,230</u>

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	234,433	233,021
Company pension contributions to defined contribution schemes	45,840	45,840
	<u>280,273</u>	<u>278,861</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2016 £	2015 £
Remuneration for qualifying services	119,890	118,714
Company pension contributions to defined contribution schemes	22,920	22,920
	<u>142,810</u>	<u>141,634</u>

### 8 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	9,758	728
	<u>9,758</u>	<u>728</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	9,758	728
	<u>9,758</u>	<u>728</u>

### 9 Interest payable and similar expenses

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	69,941	55,597
<b>Other finance costs:</b>		
Other interest	6,137	31,341
Total finance costs	<u>76,078</u>	<u>86,938</u>

### 10 Taxation

	2016 £	2015 £
<b>Current tax</b>		
Foreign current tax on profits for the current period	63,862	9,537
	<u>63,862</u>	<u>9,537</u>

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	1,066,544	944,171
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	213,309	188,834
Tax effect of expenses that are not deductible in determining taxable profit	2,812	4,013
Tax effect of income not taxable in determining taxable profit	-	(3,900)
Permanent capital allowances in excess of depreciation	32,890	35,162
Other permanent differences	15,425	2,279
Tax losses brought forward	(102,623)	(56,579)
Other adjustments relating to foreign subsidiary	(97,951)	(160,272)
Taxation charge for the year	63,862	9,537

At the year end the company had tax losses available for carry forward of £1,027,298 (2015: £1,540,296).

### 11 Intangible fixed assets

Group	Printing plates £
<b>Cost</b>	
At 1 January 2016	68,326
Additions - separately acquired	385
At 31 December 2016	68,711
<b>Amortisation and impairment</b>	
At 1 January 2016	55,006
Amortisation charged for the year	12,233
At 31 December 2016	67,239
<b>Carrying amount</b>	
At 31 December 2016	1,472
At 31 December 2015	13,320

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Intangible fixed assets

(Continued)

Company	Printing plates £
<b>Cost</b>	
At 1 January 2016	68,326
Additions - separately acquired	385
At 31 December 2016	68,711
<b>Amortisation and impairment</b>	
At 1 January 2016	55,006
Amortisation charged for the year	12,233
At 31 December 2016	67,239
<b>Carrying amount</b>	
At 31 December 2016	1,472
At 31 December 2015	13,320

### 12 Tangible fixed assets

Group	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2016	2,013,249	11,884,658	278,638	14,176,545
Additions	391,052	2,648,931	-	3,039,983
Disposals	(36,652)	(44,653)	-	(81,305)
Exchange adjustments	134,399	339,308	161	473,868
At 31 December 2016	2,502,048	14,828,244	278,799	17,609,091
<b>Depreciation and impairment</b>				
At 1 January 2016	805,964	9,792,223	275,933	10,874,120
Depreciation charged in the year	118,628	891,342	2,866	1,012,836
Eliminated in respect of disposals	(36,652)	(44,653)	-	(81,305)
At 31 December 2016	887,940	10,638,912	278,799	11,805,651
<b>Carrying amount</b>				
At 31 December 2016	1,614,108	4,189,332	-	5,803,440
At 31 December 2015	1,229,624	2,070,096	2,705	3,302,425

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 12 Tangible fixed assets

(Continued)

Company	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2016	632,882	6,982,650	136,469	7,752,001
Additions	32,690	11,735	-	44,425
Disposals	(36,652)	(44,653)	-	(81,305)
At 31 December 2016	628,920	6,949,732	136,469	7,715,121
<b>Depreciation and impairment</b>				
At 1 January 2016	113,047	6,193,230	135,204	6,441,481
Depreciation charged in the year	24,355	269,023	1,265	294,643
Eliminated in respect of disposals	(36,652)	(44,653)	-	(81,305)
At 31 December 2016	100,750	6,417,600	136,469	6,654,819
<b>Carrying amount</b>				
At 31 December 2016	528,170	532,132	-	1,060,302
At 31 December 2015	542,174	767,081	1,265	1,310,520

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2016 £	2015 £	Company 2016 £	2015 £
Plant and equipment	2,564,654	-	-	-
Depreciation charge for the year in respect of leased assets	21,920	-	-	-

### 13 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	14	-	-	2,383,954	2,383,954

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 13 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 January 2016 and 31 December 2016

2,383,954

#### Carrying amount

At 31 December 2016

2,383,954

At 31 December 2015

2,383,954

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Alma Extrusions AG	Switzerland	Manufacturing	Ordinary	100.00	

### 15 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	3,221,816	2,354,612	1,371,165	1,084,697
Equity instruments measured at cost less impairment	39,822	33,918	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	6,379,596	4,199,167	2,683,277	2,939,379

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 16 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	1,064,619	1,381,541	300,724	249,357
Finished goods and goods for resale	493,973	547,536	197,302	213,230
Engineering stocks and other consumables	299,080	320,816	45,474	122,601
	<u>1,857,672</u>	<u>2,249,893</u>	<u>543,500</u>	<u>585,188</u>

An impairment loss of £595,547 (2015: £11,393) was recognised in cost of sales against stock during the year.

### 17 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,684,874	1,947,753	1,307,087	1,063,147
Other debtors	891,863	601,141	64,078	21,550
Prepayments and accrued income	24,814	54,493	24,814	54,493
	<u>3,601,551</u>	<u>2,603,387</u>	<u>1,395,979</u>	<u>1,139,190</u>

Trade debtors disclosed above are measured at amortised cost.

An impairment loss of £154,728 (2015: £35,324) was recognised against trade debtors.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 18 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	20	611,595	645,766	54,758	171,479
Obligations under finance leases	21	312,596	-	-	-
Other borrowings	20	50,000	-	50,000	-
Trade creditors		2,495,377	2,052,570	1,427,351	1,420,842
Amounts due to group undertakings		-	-	225,139	-
Other taxation and social security		278,362	301,389	278,362	301,389
Deferred income	22	78,292	25,833	78,292	25,833
Other creditors		886,728	1,102,993	778,159	1,005,626
Accruals and deferred income		167,867	104,715	61,511	48,309
		<u>4,880,817</u>	<u>4,233,266</u>	<u>2,953,572</u>	<u>2,973,478</u>

Details of security on bank loans and overdrafts are disclosed in note 20.

Other creditors amounting to £699,574 (2015: £900,751) are secured against trade debtors.

Obligations under finance leases are secured on the assets acquired.

### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	20	86,359	141,461	86,359	141,461
Obligations under finance leases	21	1,769,074	-	-	-
Other borrowings	20	-	151,662	-	151,662
Deferred income	22	112,208	129,167	112,208	129,167
		<u>1,967,641</u>	<u>422,290</u>	<u>198,567</u>	<u>422,290</u>

Details of security on bank loans and overdrafts are disclosed in note 20.

Obligations under finance leases are secured on the assets acquired.



# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 20 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	141,117	194,726	141,117	194,726
Bank overdrafts	556,837	592,501	-	118,214
Other loans	50,000	151,662	50,000	151,662
	<u>747,954</u>	<u>938,889</u>	<u>191,117</u>	<u>464,602</u>
Payable within one year	661,595	645,766	104,758	171,479
Payable after one year	<u>86,359</u>	<u>293,123</u>	<u>86,359</u>	<u>293,123</u>

The bank loans are secured by a second legal charge on the freehold land and buildings of the company. The interest on the bank loan is charged at 2.65% over Base Rate and the loan is due to mature in 2019.

The other loans are secured by fixed and floating charges on certain specified assets and their related benefits. No interest is charged on this loan and it is due to expire in 2017.

### 21 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	312,596	-	-	-
In two to five years	1,235,164	-	-	-
In over five years	533,910	-	-	-
	<u>2,081,670</u>	<u>-</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery.

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 22 Deferred income

	Group 2016 £	2015 £	Company 2016 £	2015 £
Other deferred income	190,500	155,000	190,500	155,000

Deferred income is included in the financial statements as follows:

Current liabilities	78,292	25,833	78,292	25,833
Non-current liabilities	112,208	129,167	112,208	129,167
	190,500	155,000	190,500	155,000

### 23 Retirement benefit schemes

Defined contribution schemes	2016 £	2015 £
Charge to profit or loss in respect of defined contribution schemes	53,515	53,681

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 24 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital Issued and fully paid 1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

### 25 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	106,073	95,382	106,073	95,382
Between two and five years	294,235	106,768	294,235	106,768
In over five years	261,216	-	261,216	-
	661,524	202,150	661,524	202,150

# ALMA PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 26 Related party transactions

At the year end the director, Mr J S Dick, owed Alma Extrusions AG £22,662 (2015: £19,165) in relation to the acquisition of Alma Extrusions AG from Plasticos International BV.

During the year the group lent £163,140 (2015: £186,000) to Plasticos Management BV, a related party by virtue of having a director in common with Alma Extrusions AG, a subsidiary of Alma Products Limited. As at the year end the balance due to Alma Extrusions AG was £449,140 (2015: £286,000). This balance is included within group other debtors.

Directors remuneration is disclosed in note 7. There are no key management personnel, other than the directors.

### 27 Directors' transactions

Description	Opening balance	Change in exchange rate	Closing balance
	£	£	£
Mr J S Dick - Loan	15,422	2,456	17,878
	<u>15,422</u>	<u>2,456</u>	<u>17,878</u>

The balance due from Mr J S Dick at the year end is in relation to the acquisition of Alma Products Limited from Plasticos International BV.

### 28 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,002,682	934,634
Adjustments for:		
Taxation charged	63,862	9,537
Finance costs	76,078	86,938
Investment income	(9,758)	(728)
(Gain)/loss on disposal of tangible fixed assets	-	22,275
Amortisation and impairment of intangible assets	12,233	16,697
Depreciation and impairment of tangible fixed assets	1,012,836	888,280
Movements in working capital:		
Decrease/(increase) in stocks	392,221	(516,706)
(Increase)/decrease in debtors	(995,708)	207,233
Increase/(decrease) in creditors	859,442	(645,112)
Increase in deferred income	35,500	155,000
<b>Cash generated from operations</b>	<u><b>2,449,388</b></u>	<u><b>1,158,048</b></u>