

BOLTON PLASTIC COMPONENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BOLTON PLASTIC COMPONENTS LIMITED

COMPANY INFORMATION

Directors	D G Butler (resigned 30 June 2021) J Middlehurst N J Holland J J Hughes (appointed 1 January 2021)
Company secretary	M M Secretariat Limited
Registered number	01770442
Registered office	Environment House 1 St Marks Street Nottingham NG3 1DE
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH

BOLTON PLASTIC COMPONENTS LIMITED

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BOLTON PLASTIC COMPONENTS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The principal activity of the Company continues to be the manufacture of plastic blow moulded components predominantly for the automotive industry. The Company's business strategy is to work in partnership with the major automotive manufacturers to ensure we continue to offer high level components, technical support and manufacturing facilities in line with the needs of the industry and to ensure that our manufacturing processes remain aligned with the market we serve.

Business review

Our automotive components are supplied directly into the OEM's and major system suppliers at tier 1 and tier 2 levels. The year to 31 December 2020 was without doubt impacted by world events. Our core Automotive market was closed, for prolonged periods, in terms of retail due to the COVID-19 pandemic and then struggled to return to normal activity levels when allowed to re-open as the timeframe to restart the full supply chain proved challenging. As a major supplier to Jaguar Land Rover (JLR) this had a significant impact on our turnover during the year (down 24%) and as a result the business made a loss after tax. Despite this we remain very encouraged by current market conditions where JLR in particular have a very strong order book. We have been successful in securing new contracts for both facelifted and new vehicles thereby securing the core turnover of our business for a number of years to come.

We are forecasting a similar turnover level for 2021 whereby the Automotive market overall has continued to see major disruption in the supply of semi-conductors, resulting in the volume of new cars being built being significantly lower than the major manufacturers' level of customer demand. This issue is expected to continue throughout 2021, but does not appear to have reduced the retail demand for vehicles as JLR have significant waiting lists that they are looking to reduce as soon as possible. We are also expecting a number of new vehicle launches from our main customer in late 2021 that have led to a significant tooling demand during 2020 and 2021 resulting in a strong component demand in early 2022.

The site remains fully committed to the reduction of its carbon footprint and any impact it may have on the environment, with the business actively working towards reducing its carbon consumption through a range of energy reduction activities and energy tracking.

Whilst the Automotive market conditions we find ourselves in are frustrating, for all involved, I am also delighted to advise that we continue to see significant growth in our non-automotive work across both Bolton Plastic Components and our sister Company Bettix.

Principal risks and uncertainties

The challenges we face as we move through the coming year will in the main revolve around the speed of the UK economic recovery following the Covid-19 worldwide pandemic and the recovery of consumer confidence in buying new motor vehicles. JLR remains highly optimistic regarding vehicle sales in the coming year when they plan to introduce new and facelifted models; however, in the shorter-term sales are likely to remain lower than we would like, and this is likely to impact 2021.

Other risks include potential cost movements in the price of energy, polymer and transportation, which are traditionally driven by the world pricing of oil, and could affect our cost base. However in regard to energy the business has a fixed price energy contract that will give price stability through to the end of 2022. Price movements related to polymer should be largely off-set through benefits gained through the continued development of lean and continuous improvement activities across the site plus the new vehicle parts to be launched in late 2021 are priced based on current market conditions.

BOLTON PLASTIC COMPONENTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Key performance indicators

The Company uses several key performance indicators to track business performance, which can be referenced in full within the attached financial statements. The main KPI drivers will show that turnover including tooling for the year was £12.1 million. Gross loss for the year of £541k was then offset by £814k other income (including £662k from the government CJRS grant). The corresponding loss before tax was £756k. Bolton Plastic Components continued to maintain a strong balance sheet of £4.8 million.

Covid-19

The ongoing impact of Covid-19 has been considered by the directors as part of our forecasting process. Taking this into account along with the bank facilities in place, means that the going concern basis is appropriate and no material uncertainty exists.

This report was approved by the board and signed on its behalf.

N J Holland

N J Holland
Director

Date: 1/10/2021

BOLTON PLASTIC COMPONENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £629,439 (2019: *profit* £130,592).

During the year, the Company paid a dividend of £Nil (2019: *£Nil*) to Blugilt Holdings Limited.

Directors

The directors who served during the year were:

D G Butler (resigned 30 June 2021)
J Middlehurst
N J Holland
J J Hughes (appointed 1 January 2021)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial instruments

The Company makes sales on normal credit terms and manages related risks through its credit control procedures. The Company does not hedge interest payments on any of its borrowings.

BOLTON PLASTIC COMPONENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Employee involvement

Company employees are kept informed on matters of concern to them, including those factors affecting the performance and future of the business. Company employees are consulted about changes in work methods and systems, terms and conditions of employment, job security, and other matters affecting their working environment.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company is continued and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Qualifying third party indemnity provisions

The Company maintains liability insurance for directors and officers as permitted by section 234 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

N J Holland

N J Holland
Director

Date: 1/10/2021



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOLTON PLASTIC COMPONENTS LIMITED

Opinion

We have audited the financial statements of Bolton Plastic Components Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 loss 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.

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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOLTON PLASTIC COMPONENTS LIMITED (CONTINUED)

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.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOLTON PLASTIC COMPONENTS LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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 Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOLTON PLASTIC COMPONENTS LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the Company operates. We enquired of management, whether they were aware of any instances of noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our commercial experience and through discussion with management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management and evaluating management's incentives and opportunities for manipulation of the financial statements. We considered the risk of fraud to be higher through the potential for management override of controls.
- Audit procedures performed by the engagement team included:
 - testing manual journal entries determined to be large value, unusual value and unusual user posting characteristics;
 - challenging assumptions and judgements made by management in its estimates.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - understanding of the financial reporting framework and the relevant tax compliance regulations specific to the entity.
- We did not identify any matters relating to non-compliance with laws and regulation and incidence of fraud.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOLTON PLASTIC COMPONENTS LIMITED
(CONTINUED)**

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Christopher Frostwick MA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester
Date: 1/10/2021

BOLTON PLASTIC COMPONENTS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	12,121,331	15,977,483
Cost of sales		(12,662,058)	(14,994,285)
Gross (loss)/profit		(540,727)	983,198
Distribution costs		(520,040)	(603,937)
Administrative expenses		(509,826)	(380,646)
Other operating income	5	814,423	152,188
Operating (loss)/profit	6	(756,170)	150,803
Interest receivable and similar income		206	-
Interest payable and expenses	11	-	(27)
(Loss)/profit before tax		(755,964)	150,776
Tax on (loss)/profit	12	126,525	(20,184)
(Loss)/profit after tax		(629,439)	130,592
Profit and loss account at the beginning of the year		4,926,264	4,795,672
(Loss)/profit for the year		(629,439)	130,592
Profit and loss account at the end of the year		4,296,825	4,926,264

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 13 to 28 form part of these financial statements.

BOLTON PLASTIC COMPONENTS LIMITED
REGISTERED NUMBER:01770442

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,674,300	2,008,943
		<u>1,674,300</u>	<u>2,008,943</u>
Current assets			
Stocks	14	3,703,522	3,586,200
Debtors: amounts falling due within one year	15	3,661,480	3,960,513
Cash at bank and in hand	16	750,850	117,135
		<u>8,115,852</u>	<u>7,663,848</u>
Creditors: amounts falling due within one year	17	(4,907,002)	(4,171,333)
Net current assets		<u>3,208,850</u>	<u>3,492,515</u>
Total assets less current liabilities		<u>4,883,150</u>	<u>5,501,458</u>
Provisions for liabilities			
Deferred tax	18	(62,590)	(51,459)
		<u>(62,590)</u>	<u>(51,459)</u>
Net assets		<u><u>4,820,560</u></u>	<u><u>5,449,999</u></u>
Capital and reserves			
Called up share capital	19	500,000	500,000
Other reserves	20	23,735	23,735
Profit and loss account	20	4,296,825	4,926,264
		<u><u>4,820,560</u></u>	<u><u>5,449,999</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N J Holland

N J Holland
 Director

Date: 1/10/2021

BOLTON PLASTIC COMPONENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	500,000	23,735	4,926,264	5,449,999
Comprehensive income for the year				
Loss for the year	-	-	(629,439)	(629,439)
Total comprehensive income for the year	-	-	(629,439)	(629,439)
At 31 December 2020	500,000	23,735	4,296,825	4,820,560

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	500,000	23,735	4,795,672	5,319,407
Comprehensive income for the year				
Profit for the year	-	-	130,592	130,592
Total comprehensive income for the year	-	-	130,592	130,592
At 31 December 2019	500,000	23,735	4,926,264	5,449,999

The notes on pages 13 to 28 form part of these financial statements.

BOLTON PLASTIC COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Bolton Plastic Components Limited is a private Company limited by shares & incorporated in England and Wales. Its registered head office is located at Environment House, 1 St Marks Street, Nottingham, NG3 1DE.

The principal activity of the Company is the manufacture of plastic blow moulded components predominantly for the automotive industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of the Company's parent, Blugilt Holdings Limited, as at 31 December 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Company looks forward to the launch of new JLR electric & hybrid vehicles in late 2021 & early 2022 on which we have gained significant new business. Whilst there is a world-wide shortage of microchips, the JLR order book remains strong. We have also seen a significant increase in both sales & order book in the thermal panel sector which is involved in the transportation of Covid-19 vaccines around the world. The directors have considered all such factors as part of their forecasting process and with the bank facilities in place, confirm that the going concern basis is appropriate and no material uncertainty exists

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tooling and development

The Company recognises tooling activity at the point of commissioning and during the life of the tooled component. This can result in cumulative payments on account which exceed the value of work completed, including commissioning, on contract. The excess is included in creditors as payments received on account.

Amounts recoverable on contracts, included within work in progress, comprises any excess costs for an individual tool over cumulative payments received in relation to that tool and after provision for any losses.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	3% straight line
Plant & machinery	-	10% to 20% straight line
Motor vehicles	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.9 Stocks

Material & Bought-out component costs are valued at the latest purchase price. Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.12 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.15 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies

- The directors must judge whether all of the conditions required have been met for revenues to be recognised in the Statement of Income and Retained Earnings for the financial year as set out in note 2.4.

Sources of estimation uncertainty

- Depreciation rates are based on estimates of the useful lives and residual values of the assets involved;
- Bad debt provisions are based on the likely recovery of debtor balances;
- Tooling revenue is based on managements best estimates of the life of the specific tool;
- Stock provisions are based on the likely future use of the product.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	10,759,049	14,098,504
Rest of Europe	1,362,282	1,878,979
	<u>12,121,331</u>	<u>15,977,483</u>

The whole of the turnover is attributable to the one principal activity of the Company.

5. Other operating income

	2020 £	2019 £
Other operating income	152,188	152,188
Government grants receivable- CJRS	662,235	-
	<u>814,423</u>	<u>152,188</u>

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	350,482	350,115
Exchange differences	23,491	(32,245)
Operating lease rentals - land & buildings	23,491	207,000
Operating lease rentals - plant and machinery	39,945	44,700
Defined contribution pension cost	249,143	258,724
	<u>249,143</u>	<u>258,724</u>

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12,800	12,420
Preparation of financial statements	500	500
All other services	13,174	13,174
	<u>13,174</u>	<u>13,174</u>

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Employees

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

	2020 £	2019 £
Wages and salaries	4,427,420	5,163,375
Social security costs	341,465	379,269
Cost of defined contribution scheme	249,143	258,724
	<u>5,018,028</u>	<u>5,801,368</u>

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

	2020 No.	2019 No.
Manufacturing and production	166	163
Sales and distribution	13	13
Administration and management	11	11
	<u>190</u>	<u>187</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	220,218	236,801
Company contributions to defined contribution pension schemes	96,198	106,820
	<u>316,416</u>	<u>343,621</u>

During the year retirement benefits were accruing to 3 directors (2019: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £80,310 (2019: £103,640).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £36,061 (2019: £39,951).

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>206</u>	<u>-</u>

11. Interest payable

	2020 £	2019 £
Other loan interest payable	<u>-</u>	<u>27</u>

BOLTON PLASTIC COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation

	2020 £	2019 £
Group relief receivable	(137,656)	-
Total current tax	(137,656)	-
Deferred tax		
Origination and reversal of timing differences	4,811	31,163
Adjustments in respect of previous periods	238	(10,979)
Effect of tax rate change on opening balance	6,082	-
Total deferred tax	11,131	20,184
Taxation on (loss)/profit on ordinary activities	(126,525)	20,184

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19.00% (2019 : 19.00%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(755,964)	150,776
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(143,633)	28,647
Effects of:		
Expenses not deductible for tax purposes	4,729	161
Fixed asset differences	6,020	6,021
Group relief surrendered/(claimed)	(137,665)	-
Payment/(receipt) for group relief	137,704	-
Adjustments to tax charge in respect of prior periods - deferred tax	238	(10,979)
Adjusting deferred tax to average rate	6,082	(3,666)
Total tax charge for the year	(126,525)	20,184

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2020	1,267,541	8,492,413	73,895	9,833,849
Additions	-	15,839	-	15,839
Disposals	-	-	(18,625)	(18,625)
At 31 December 2020	<u>1,267,541</u>	<u>8,508,252</u>	<u>55,270</u>	<u>9,831,063</u>
Depreciation				
At 1 January 2020	713,537	7,043,111	68,258	7,824,906
Charge for the year on owned assets	31,685	314,209	4,588	350,482
Disposals	-	-	(18,625)	(18,625)
At 31 December 2020	<u>745,222</u>	<u>7,357,320</u>	<u>54,221</u>	<u>8,156,763</u>
Net book value				
At 31 December 2020	<u>522,319</u>	<u>1,150,932</u>	<u>1,049</u>	<u>1,674,300</u>
At 31 December 2019	<u>554,004</u>	<u>1,449,302</u>	<u>5,637</u>	<u>2,008,943</u>

14. Stocks

	2020 £	2019 £
Raw materials and consumables	1,236,963	1,437,277
Work in progress (goods to be sold)	1,904,423	1,445,131
Finished goods and goods for resale	562,136	703,792
	<u>3,703,522</u>	<u>3,586,200</u>

Stock recognised in cost of sales during the year as an expense was £5,555,407 (2019: £7,191,899)

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Debtors

	2020 £	2019 £
Trade debtors	2,426,343	3,279,784
Amounts owed by related parties	312,765	112,175
Other debtors	354,267	31,551
Prepayments and accrued income	568,105	512,583
Tax recoverable	-	24,420
	<u>3,661,480</u>	<u>3,960,513</u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>750,850</u>	<u>117,135</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	320	320
Trade creditors	2,117,285	2,076,422
Amounts owed to group undertakings	3,394	165,895
Other taxation and social security	629,463	493,092
Other creditors	1,534,150	618,398
Accruals and deferred income	599,895	817,206
Corporation tax	22,495	-
	<u>4,907,002</u>	<u>4,171,333</u>

Barclays Bank Plc has a charge over Unit 5, Lever Street, Bolton, BL3 6NZ.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Deferred taxation

	2020 £
At beginning of year	(51,459)
Charged to profit or loss	(11,131)
At end of year	(62,590)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(69,267)	(83,578)
Short term timing differences	2,669	2,388
Losses and other deductions	4,008	29,731
	(62,590)	(51,459)

19. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
500,000 (2019: 500,000) Ordinary shares of £1 each	500,000	500,000

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital

20. Reserves**Other reserves**

Other reserves relate to a capital reserve.

Profit & loss account

The profit and loss account includes all current and prior year retained profits and losses.

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Pension commitments**Current scheme**

The Company contributes to stakeholder pension plans and the pension charge in the Statement of Income and Retained Earnings represents the amounts payable by the Company in respect of the year.

Contributions made by the Company to the scheme during the year amounted to £249,143 (2019: £258,724). Contributions totaling £18,159 (2019: £14,047) were payable to the fund at the Balance Sheet date and are included in Creditors.

22. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Plant and machinery		
Not later than 1 year	79,522	44,700
Later than 1 year and not later than 5 years	323,694	97,997
	<u>403,216</u>	<u>142,697</u>
	2020 £	2019 £
Land and buildings		
Not later than 1 year	207,000	207,000
Later than 1 year and not later than 5 years	828,000	828,000
Later than 5 years	423,000	423,000
	<u>1,458,000</u>	<u>1,458,000</u>

BOLTON PLASTIC COMPONENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Related party transactions

The Company made sales to the following companies related by common control:

	2019 £
Union Papertech Limited	13,966

The Company paid rent of £144,000 (2019: £144,000) to Dunlow Limited, of which Mr N R Puri is a director, £63,000 (2019: £63,000) to the Melton Medes Senior Management Pension Scheme, of which Mr N R Puri is a trustee and management fees of £240,000 (2019: £240,000) to Purico Limited, who are a subsidiary of Clary Limited. Mr N R Puri has an interest in the shares of Clary Limited, the Company's ultimate parent.

All are related by virtue of common ownership.

There are no key management personnel in the Company except for directors.

24. Ultimate parent undertaking and controlling party

The Company is controlled by Blugilt Holdings Limited.

The parent undertaking of the largest and smallest groups for which consolidated financial statements are prepared is Blugilt Holdings Limited. Consolidated financial statements are available from Companies House.

The ultimate parent Company is Clary Limited, a Company incorporated in the Isle of Man.