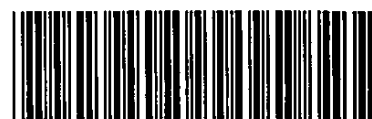


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011
FOR
PRECISION ENGINEERING PLASTICS LIMITED**

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PRECISION ENGINEERING PLASTICS LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2011**

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PRECISION ENGINEERING PLASTICS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2011**

DIRECTORS:

Mr P Doheny
Mr V Marino

SECRETARY:

Mr P Doheny

REGISTERED OFFICE

1063 Mollison Avenue
Enfield
Middlesex
EN3 7NJ

REGISTERED NUMBER.

02000951 (England and Wales)

AUDITORS:

Mountsides Limited
Chartered Accountants
& Statutory Auditors
2 Mountside
Stanmore
Middlesex
HA7 2DT

PRECISION ENGINEERING PLASTICS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2011

The directors present their report with the financial statements of the company for the year ended 31st December 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturers of precision plastic mouldings

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2011 to the date of this report

Mr P Doheny

Mr V Marino

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

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

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

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

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Mountsides Limited, are deemed to be reappointed under s487(2) of the Companies Act 2006.

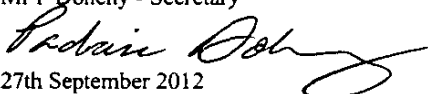
PRECISION ENGINEERING PLASTICS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2011**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD

Mr P Doherty - Secretary



27th September 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRECISION ENGINEERING PLASTICS LIMITED

We have audited the financial statements of Precision Engineering Plastics Limited for the year ended 31st December 2011 on pages six to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31st December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

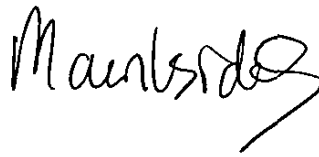
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PRECISION ENGINEERING PLASTICS LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

Christopher Andrews ACA (Senior Statutory Auditor)
for and on behalf of Mountsides Limited
Chartered Accountants
& Statutory Auditors
2 Mountside
Stanmore
Middlesex
HA7 2DT



27th September 2012

PRECISION ENGINEERING PLASTICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2011**

	Notes	2011 £	2010 £
TURNOVER		4,130,996	4,222,029
Cost of sales		<u>2,808,388</u>	<u>2,984,017</u>
GROSS PROFIT		1,322,608	1,238,012
Administrative expenses		<u>942,628</u>	<u>1,020,233</u>
		379,980	217,779
Other operating income		<u>-</u>	<u>51,445</u>
OPERATING PROFIT	2	379,980	269,224
Interest receivable and similar income		<u>-</u>	<u>17,410</u>
		379,980	286,634
Interest payable and similar charges	3	<u>15,566</u>	<u>2,069</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		364,414	284,565
Tax on profit on ordinary activities	4	<u>88,676</u>	<u>71,224</u>
PROFIT FOR THE FINANCIAL YEAR		<u>275,738</u>	<u>213,341</u>

The notes form part of these financial statements

PRECISION ENGINEERING PLASTICS LIMITED

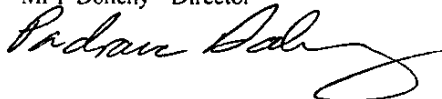
**BALANCE SHEET
31ST DECEMBER 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	491,693	394,480
CURRENT ASSETS			
Stocks		317,359	347,327
Debtors	8	2,299,395	1,999,682
Cash at bank and in hand		34,622	192,238
		<u>2,651,376</u>	<u>2,539,247</u>
CREDITORS			
Amounts falling due within one year	9	<u>806,484</u>	<u>896,181</u>
NET CURRENT ASSETS		<u>1,844,892</u>	<u>1,643,066</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,336,585</u>	<u>2,037,546</u>
CREDITORS			
Amounts falling due after more than one year	10	(47,996)	(24,248)
PROVISIONS FOR LIABILITIES	12	(37,899)	(23,346)
NET ASSETS		<u>2,250,690</u>	<u>1,989,952</u>
CAPITAL AND RESERVES			
Called up share capital	13	102,133	102,133
Share premium	14	13,867	13,867
Profit and loss account	14	<u>2,134,690</u>	<u>1,873,952</u>
SHAREHOLDERS' FUNDS		<u>2,250,690</u>	<u>1,989,952</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 27th September 2012 and were signed on its behalf by

Mr P Doheny - Director



Mr V Marino - Director



The notes form part of these financial statements

PRECISION ENGINEERING PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date which could give rise to a future liability to tax

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Operating leases

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

PRECISION ENGINEERING PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011**

2 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation - owned assets	124,816	97,455
Depreciation - assets on hire purchase contracts	597	-
Auditors' remuneration	2,700	2,500
Foreign exchange differences	1,644	(17,380)
Pension costs	5,128	5,882
Directors' pension costs	8,306	7,722
	<u>169,396</u>	<u>156,226</u>
Directors' remuneration	<u>169,396</u>	<u>156,226</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following

	2011 £	2010 £
Bank loan interest	1,045	-
Late payment interest	42	-
	<u>1,087</u>	<u>-</u>

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	74,123	48,793
Deferred tax	14,553	22,431
Tax on profit on ordinary activities	<u>88,676</u>	<u>71,224</u>

PRECISION ENGINEERING PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011

4 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>364,414</u>	<u>284,565</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.500% (2010 - 28%)	96,570	79,678
Effects of Expenses not deductible for tax purposes Capital allowances in excess of depreciation	1,041 (16,533)	724 (22,126)
Effect of small companies marginal relief	(6,955)	(9,483)
Current tax charge	<u>74,123</u>	<u>48,793</u>

5 DIVIDENDS

	2011 £	2010 £
Ordinary £1.00 shares of £1 each Interim dividend	14,687	87,142
Ordinary 10p shares of 10p each Interim dividend	313	1,858
	<u>15,000</u>	<u>89,000</u>

6 GOVERNMENT GRANTS

During the year the company received £nil in government grants towards training costs (2010: £8,293)

PRECISION ENGINEERING PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011**

7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2011	1,502,350	226,767	80,886	1,810,003
Additions	102,806	91,186	28,634	222,626
Disposals	-	-	(23,751)	(23,751)
At 31st December 2011	1,605,156	317,953	85,769	2,008,878
DEPRECIATION				
At 1st January 2011	1,252,148	93,321	70,054	1,415,523
Charge for year	80,472	34,726	10,215	125,413
Eliminated on disposal	-	-	(23,751)	(23,751)
At 31st December 2011	1,332,620	128,047	56,518	1,517,185
NET BOOK VALUE				
At 31st December 2011	272,536	189,906	29,251	491,693
At 31st December 2010	250,202	133,446	10,832	394,480

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
Additions	28,634
At 31st December 2011	28,634
DEPRECIATION	
Charge for year	597
At 31st December 2011	597
NET BOOK VALUE	
At 31st December 2011	28,037

PRECISION ENGINEERING PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011**

8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	1,061,581	797,456
Amounts owed by group company	1,217,590	1,164,800
Other debtors	674	125
VAT	-	12,655
Prepayments	19,550	24,646
	<u>2,299,395</u>	<u>1,999,682</u>

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts	208,004	129,905
Carbon Trust Loan	18,900	21,303
Hire purchase contracts	3,010	-
Trade creditors	346,649	422,548
Tax	74,123	48,792
Social security and other taxes	20,987	24,603
VAT	77,325	-
Other creditors	1,043	-
Directors' current accounts	-	6,985
Accrued expenses	56,443	242,045
	<u>806,484</u>	<u>896,181</u>

The bank loans and overdrafts are secured by way of a debenture over the book debts and assets of the company, together with a charge on the property at 1063 Mollison Avenue, Enfield, owned by Precision Engineering Plastics (Holdings) Limited, the parent company

All liabilities under finance leases and hire purchase contracts are secured upon the assets to which the agreements relate

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Carbon Trust Loan	27,327	24,248
Hire purchase contracts	20,669	-
	<u>47,996</u>	<u>24,248</u>

All liabilities under finance leases and hire purchase contracts are secured upon the assets to which the agreements relate

PRECISION ENGINEERING PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011**

11 OPERATING LEASE COMMITMENTS

The following annual operating lease payments are committed to be paid within one year

	2011 £	2010 £
Expiring in more than five years	<u>156,000</u>	<u>156,000</u>

12 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>37,899</u>	<u>23,346</u>

	Deferred tax £
Balance at 1st January 2011	23,346
Charge for the year	<u>14,553</u>
Balance at 31st December 2011	<u>37,899</u>

The deferred tax balance represents accelerated capital allowances

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
100,000	Ordinary £1 00	£1	100,000	100,000
21,330	Ordinary 10p	10p	<u>2,133</u>	<u>2,133</u>
			<u>102,133</u>	<u>102,133</u>

The rights attaching to the two classes of shares shall be as follows

- 1) The holders of £1 shares shall be entitled to one vote for every share held but the holders of the 10p shares shall be entitled to one vote for every 10 shares held
- 2) On a declaration of dividend or return of capital, the amount paid or payable to the shareholders of the Company or the entitlement to capital shall be divided in such a manner that the holder of each £1 share is entitled to 10 times the amount per share compared to the holder of each 10p share

PRECISION ENGINEERING PLASTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2011**

14 RESERVES

	Profit and loss account £	Share premium £	Totals £
As at 1st January 2011	1,873,952	13,867	1,887,819
Profit for the year	275,738		275,738
Dividends	(15,000)		(15,000)
As at 31st December 2011	2,134,690	13,867	2,148,557

15 ULTIMATE PARENT COMPANY

The ultimate parent company is Precision Engineering Plastics (Holdings) Limited, a company registered in England and Wales

16 RELATED PARTY DISCLOSURES

During the year, dividends totalling £15 000 (2010 £89,000) were paid to the holding company, Precision Engineering Plastics (Holdings) Limited

During the year Precision Engineering Plastics (Holdings) Limited rented premises to the company on a commercial basis under a lease. Rents paid to Precision Engineering Plastics (Holdings) Limited amounted to £156,000 (2010 £37,538)

The two companies also transferred funds to and from each other through the inter-company account throughout the year. At the year end, Precision Engineering Plastics (Holdings) Limited owed the company £1,217,590 (2010 £1,164,800)

17 ULTIMATE CONTROLLING PARTY

The company was controlled throughout the period by Mr P Doheny and Mr V Marino who hold the entire issued share capital of the parent company, Precision Engineering Plastics (Holdings) Limited