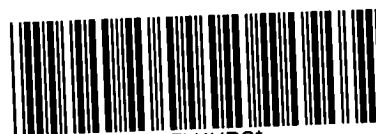


**REGISTERED NUMBER: 02000951 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2016  
FOR  
PRECISION ENGINEERING PLASTICS LTD**

WEDNESDAY



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FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**PRECISION ENGINEERING PLASTICS LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**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

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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

**REVIEW OF BUSINESS**

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the company as a whole to its members. These KPIs comprise turnover, operating profit and shareholders' funds. The company is exempt from the requirement to disclose details of non-financial key performance indicators as it is a medium sized company.

Turnover increased by 17% during the year, a direct result of the company securing orders from both new and existing customers. The increase in turnover and tight controls over operating costs have contributed to a 32% increase in operating profit for the year. Shareholders' funds increased by 14% and at the year end net assets per ordinary share were £36.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's financial risk management objectives consist of identifying and monitoring those risks which have an adverse impact on the value of the company's financial assets and liabilities or on reported profitability and on the cash flows of the company.

The company's principal financial instruments comprise cash balances, bank loans and overdrafts, hire purchase and finance lease agreements and various items such as trade debtors and trade creditors which arise directly from trading operations. The main purpose of these financial instruments is to provide finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks.

**LIQUIDITY RISK**

The company minimises its exposure to liquidity risk by managing cash generation by its operations with cash collection targets set. In this way the company ensures that sufficient funds are available for day to day operations and planned expansions. In addition the company has borrowing facilities available for drawdown when required.

**INTEREST RISK**

The company seeks to minimise its exposure to interest rate risk by borrowing, when required, through its facility and paying interest at the prescribed rate. The company regularly reviews its borrowing position and would arrange fixed interest borrowings when appropriate to minimise risk from fluctuating interest rates.

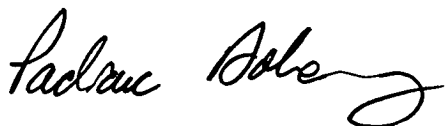
**CREDIT RISK**

The principal credit risk arises from trade debtors. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis, based on a combination of payment history and third party references.

**FUTURE DEVELOPMENTS**

The directors are satisfied with the results achieved during the year. Their plan for the future is to continue in their efforts to secure new orders, both in the United Kingdom and overseas, and to continue to invest in new plant and machinery. In their opinion, the company is well positioned to meet this challenge.

**ON BEHALF OF THE BOARD:**



Mr P Doheny - Director

20th September 2017

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

---

The directors present their report with the financial statements of the company for the year ended 31st December 2016.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

The total distribution of dividends for the year ended 31st December 2016 will be £184,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2016 to the date of this report.

Mr P Doheny  
Mr V Marino

**DISCLOSURE IN THE STRATEGIC REPORT**

The company has set out the business review and the principal risks and uncertainties in the strategic report on page 2 of these financial statements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'Padraic Doheny', with a stylized flourish at the end.

Mr P Doheny - Director

20th September 2017

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRECISION ENGINEERING PLASTICS LTD**

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We have audited the financial statements of Precision Engineering Plastics Ltd for the year ended 31st December 2016 on pages seven to eighteen. 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 Financial Reporting Standard 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 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 three, 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 Strategic Report and the Report of the Directors 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 company's affairs as at 31st 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

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

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**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.

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



21st September 2017



**PRECISION ENGINEERING PLASTICS LTD (REGISTERED NUMBER: 02000951)**

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

	Notes	2016 £	2015 £
<b>TURNOVER</b>	4	<b>6,651,339</b>	5,678,186
Cost of sales		<u>4,216,477</u>	<u>3,832,254</u>
<b>GROSS PROFIT</b>		<b>2,434,862</b>	1,845,932
Administrative expenses		<u>1,616,199</u>	<u>1,227,012</u>
<b>OPERATING PROFIT</b>	6	<b>818,663</b>	618,920
Interest receivable and similar income		<u>228</u>	-
		<b>818,891</b>	618,920
Interest payable and similar expenses	7	<u>5,084</u>	<u>12,107</u>
<b>PROFIT BEFORE TAXATION</b>		<b>813,807</b>	606,813
Tax on profit	8	<u>75,757</u>	<u>123,153</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>738,050</b>	483,660
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>738,050</b></u>	<u>483,660</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31ST DECEMBER 2016

		2016	2015
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	11	577,507	658,403
<b>CURRENT ASSETS</b>			
Stocks	12	571,893	582,258
Debtors	13	3,172,514	2,713,615
Cash at bank and in hand		985,648	694,954
		<u>4,730,055</u>	<u>3,990,827</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	830,140	713,881
<b>NET CURRENT ASSETS</b>		<u>3,899,915</u>	<u>3,276,946</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,477,422</u>	<u>3,935,349</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	-	(6,247)
<b>PROVISIONS FOR LIABILITIES</b>	17	(66,600)	(72,330)
<b>NET ASSETS</b>		<u><u>4,410,822</u></u>	<u><u>3,856,772</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	102,133	102,133
Share premium	19	13,867	13,867
Retained earnings	19	4,294,822	3,740,772
<b>SHAREHOLDERS' FUNDS</b>		<u><u>4,410,822</u></u>	<u><u>3,856,772</u></u>

The financial statements were approved by the Board of Directors on 20th September 2017 and were signed on its behalf by:



Mr P Doheny - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2015</b>	102,133	3,401,112	13,867	3,517,112
<b>Changes in equity</b>				
Dividends	-	(144,000)	-	(144,000)
Total comprehensive income	-	483,660	-	483,660
<b>Balance at 31st December 2015</b>	<u>102,133</u>	<u>3,740,772</u>	<u>13,867</u>	<u>3,856,772</u>
<b>Changes in equity</b>				
Dividends	-	(184,000)	-	(184,000)
Total comprehensive income	-	738,050	-	738,050
<b>Balance at 31st December 2016</b>	<u>102,133</u>	<u>4,294,822</u>	<u>13,867</u>	<u>4,410,822</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

---

**1. STATUTORY INFORMATION**

Precision Engineering Plastics Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Financial reporting standard 102 - reduced disclosure exemptions**

The company satisfies the criteria of being a qualifying entity as defined by the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Its financial statements are consolidated into the financial statements of its immediate and ultimate parent company, Precision Engineering Plastics (Holdings) Limited, a company registered in England and Wales. Copies of the financial statements of Precision Engineering Plastics (Holdings) Limited are publicly available from Companies House.

Advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- (a) the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- (b) the requirements of Section 7 Statement of Cash Flows
- (c) the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- (d) the requirements of Section 33 Related Party Disclosures paragraph 33.7

**Significant judgements and estimates**

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported. These estimates, judgements and assumptions are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where judgements, estimates and assumptions have been made include:

**Debtors**

Management applies judgements in evaluating the recoverability of debtors. To the extent that the directors believe debtors not to be recoverable, they have been provided for in the financial statements.

**Stock**

Management applies judgements in evaluating stock for obsolete and slow moving items. This judgement is based on management knowledge of the stock and customer demand, as well as stock age. At each balance sheet date, stocks are assessed for impairment and written down as appropriate.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

---

**3. ACCOUNTING POLICIES - continued**

**Turnover**

The turnover shown in the profit and loss account represents revenue recognised by the company in respect of goods and services supplied during the year. Turnover is measured at the fair value of the consideration received or receivable net of value added tax and trade discounts. The policies adopted for the recognition of turnover are as follows:

**Sale of goods**

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

**Rendering of services**

When the outcome of a transaction can be estimated reliably, turnover from rendering of services is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to actual time spent to the total budgeted time.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

**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 and work in progress are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Financial instruments**

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related parties.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment of assets are recognised in the profit and loss account in other administrative expenses.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

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**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**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 profit or loss in the period to which they relate.

**4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	5,372,680	4,799,676
Europe	1,236,334	816,393
Rest of the World	42,325	62,117
	<u>6,651,339</u>	<u>5,678,186</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**5. EMPLOYEES AND DIRECTORS**

	2016	2015
	£	£
Wages and salaries	2,113,116	1,987,273
Social security costs	180,267	157,496
Other pension costs	299,240	40,745
	<u>2,592,623</u>	<u>2,185,514</u>

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

	2016	2015
Administration and management	18	17
Production	86	88
	<u>104</u>	<u>105</u>

	2016	2015
	£	£
Directors' remuneration	86,414	78,017
Directors' pension contributions to money purchase schemes	<u>269,200</u>	<u>19,200</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

**6. OPERATING PROFIT**

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

	2016	2015
	£	£
Depreciation - owned assets	223,413	251,233
Depreciation - assets on hire purchase contracts	10,125	10,125
Profit on disposal of fixed assets	(5,000)	(2,000)
Auditors' remuneration	5,000	3,400
Foreign exchange differences	25,738	2,697
Operating leases - land and buildings	<u>276,000</u>	<u>276,000</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2016	2015
	£	£
Hire purchase interest	878	863
Invoice discounting charges	<u>4,206</u>	<u>11,244</u>
	<u>5,084</u>	<u>12,107</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	144,680	117,808
Prior years R&D claims	(63,193)	-
Total current tax	81,487	117,808
Deferred tax	(5,730)	5,345
Tax on profit	75,757	123,153

**Reconciliation of total tax charge included in profit and loss**

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

	2016 £	2015 £
Profit before tax	813,807	606,813
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.150%)	162,761	122,273
Effects of:		
Expenses not deductible for tax purposes	1,141	919
Capital allowances in excess of depreciation	-	(5,384)
Depreciation in excess of capital allowances	5,728	-
Adjustments to tax charge in respect of previous periods	(63,194)	-
R&D tax relief	(24,949)	-
Deferred Tax	(5,730)	5,345
Total tax charge	75,757	123,153

**9. DIVIDENDS**

	2016 £	2015 £
Ordinary £1.00 shares of £1 each		
Interim dividend	180,156	140,992
Ordinary 10p shares of 10p each		
Interim dividend	3,844	3,008
	184,000	144,000



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**10. PENSION COSTS**

The company operates a defined contribution pension scheme for some of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge in the profit and loss account represents contributions payable to the fund and amounted to £299,240 (2015: £40,745).

**11. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1st January 2016	2,272,679	152,854	126,269	2,551,802
Additions	145,900	6,742	-	152,642
Disposals	(20,450)	-	-	(20,450)
At 31st December 2016	2,398,129	159,596	126,269	2,683,994
<b>DEPRECIATION</b>				
At 1st January 2016	1,685,428	108,702	99,269	1,893,399
Charge for year	200,489	22,924	10,125	233,538
Eliminated on disposal	(20,450)	-	-	(20,450)
At 31st December 2016	1,865,467	131,626	109,394	2,106,487
<b>NET BOOK VALUE</b>				
At 31st December 2016	532,662	27,970	16,875	577,507
At 31st December 2015	587,251	44,152	27,000	658,403

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

	Motor vehicles £
<b>COST</b>	
At 1st January 2016 and 31st December 2016	40,500
<b>DEPRECIATION</b>	
At 1st January 2016	13,500
Charge for year	10,125
At 31st December 2016	23,625
<b>NET BOOK VALUE</b>	
At 31st December 2016	16,875
At 31st December 2015	27,000

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**12. STOCKS**

	2016	2015
	£	£
Raw materials and consumables	252,733	235,063
Finished goods	319,160	347,195
	<u>571,893</u>	<u>582,258</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	1,526,766	1,153,691
Amounts owed by group company	1,606,253	1,522,806
Other debtors	5	5
Prepayments	39,490	37,113
	<u>3,172,514</u>	<u>2,713,615</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Hire purchase contracts (see note 16)	6,247	8,328
Trade creditors	311,548	337,965
Corporation Tax	121,007	117,808
Social security and other taxes	24,191	21,005
VAT	141,834	143,385
Other creditors	4,387	5,351
Accrued expenses	220,926	80,039
	<u>830,140</u>	<u>713,881</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.

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Hire purchase contracts (see note 16)	-	6,247

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Gross obligations repayable:		
Within one year	7,085	9,206
Between one and five years	-	7,085
	<u>7,085</u>	<u>16,291</u>
Finance charges repayable:		
Within one year	838	878
Between one and five years	-	838
	<u>838</u>	<u>1,716</u>
Net obligations repayable:		
Within one year	6,247	8,328
Between one and five years	-	6,247
	<u>6,247</u>	<u>14,575</u>
	<b>Non-cancellable operating leases</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Within one year	276,000	276,000
Between one and five years	1,104,000	1,104,000
In more than five years	2,415,000	2,691,000
	<u>3,795,000</u>	<u>4,071,000</u>

**17. PROVISIONS FOR LIABILITIES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred tax	<u>66,600</u>	<u>72,330</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1st January 2016		72,330
Credit to Statement of Comprehensive Income during year		(5,730)
Balance at 31st December 2016		<u>66,600</u>

The deferred tax balance represents accelerated capital allowances.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
100,000	Ordinary £1.00	£1	<b>100,000</b>	100,000
21,330	Ordinary 10p	10p	<b>2,133</b>	2,133
			<b><u>102,133</u></b>	<b><u>102,133</u></b>

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.

**19. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1st January 2016	3,740,772	13,867	3,754,639
Profit for the year	738,050		738,050
Dividends	(184,000)		(184,000)
At 31st December 2016	<b><u>4,294,822</u></b>	<b><u>13,867</u></b>	<b><u>4,308,689</u></b>

**20. ULTIMATE PARENT COMPANY**

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

The largest and smallest group of which the company is a member and for which consolidated financial statements are drawn up is headed by Precision Engineering Plastics (Holdings) Limited. Copies of these financial statements are publicly available from Companies House.

**21. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries of the group.

**22. ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties are the directors, Mr P Doheny and Mr V Marino, who hold the entire issued share capital of the parent company, Precision Engineering Plastics (Holdings) Limited.