

REGISTERED NUMBER: 02000951 (England and Wales)

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2013
FOR
PRECISION ENGINEERING PLASTICS LTD**

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PRECISION ENGINEERING PLASTICS LTD

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FOR THE YEAR ENDED 31ST DECEMBER 2013**

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PRECISION ENGINEERING PLASTICS LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2013**

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 LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31ST DECEMBER 2013

The directors present their strategic report for the year ended 31st December 2013.

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.

Turnover increased by 22% during the year, a direct result of the company securing orders from both new and existing customers. Operating profit increased by 101% due to increased business and tight controls over operating costs. Shareholders' funds increased by 27% and at the year end net assets per ordinary share were £27.

The directors are satisfied with the results achieved during the current difficult economic climate. Their plan for the future is to continue their efforts to secure new orders, both in the United Kingdom and overseas, and to continue to invest in new plant and machinery.

The company is exempt from the requirement to disclose details of non-financial key performance indicators as it is a medium sized company.

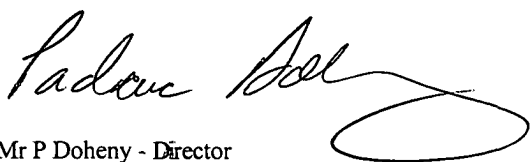
PRINCIPAL RISKS AND UNCERTAINTIES

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 main financial risks arising from the company's financial instruments are liquidity risk and interest 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. The company seeks to minimise its exposure to interest rate risk by borrowing 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.

ON BEHALF OF THE BOARD:



Mr P Doheny - Director

25th September 2014

PRECISION ENGINEERING PLASTICS LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2013

The directors present their report with the accounts of the company for the year ended 31st December 2013.

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 2013 will be £150,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2013 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.

PRECISION ENGINEERING PLASTICS LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2013**

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 'P Doheny', written in a cursive style.

Mr P Doheny - Director

25th September 2014

**REPORT OF THE INDEPENDENT AUDITORS TO
PRECISION ENGINEERING PLASTICS LTD
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages six to nineteen, together with the full financial statements of Precision Engineering Plastics Ltd for the year ended 31st December 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

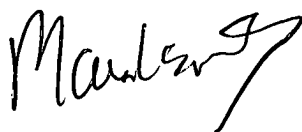
Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

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



26th September 2014

PRECISION ENGINEERING PLASTICS LTD

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2013**

	Notes	2013 £	2012 £
TURNOVER		5,871,165	4,797,178
Cost of sales		(3,695,521)	(3,291,430)
		2,175,644	1,505,748
Administrative expenses		1,086,957	964,404
OPERATING PROFIT	3	1,088,687	541,344
Interest payable and similar charges	4	22,053	18,500
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,066,634	522,844
Tax on profit on ordinary activities	5	229,113	124,650
PROFIT FOR THE FINANCIAL YEAR		837,521	398,194

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

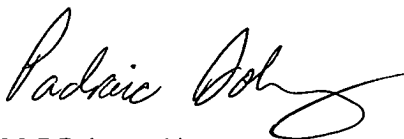
PRECISION ENGINEERING PLASTICS LTD (REGISTERED NUMBER: 02000951)

**ABBREVIATED BALANCE SHEET
31ST DECEMBER 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	649,176	404,492
CURRENT ASSETS			
Stocks	10	480,341	444,879
Debtors	11	3,127,217	2,392,541
Cash at bank and in hand		179,777	279,315
		<u>3,787,335</u>	<u>3,116,735</u>
CREDITORS			
Amounts falling due within one year	12	<u>1,104,851</u>	<u>889,188</u>
NET CURRENT ASSETS		<u>2,682,484</u>	<u>2,227,547</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,331,660</u>	<u>2,632,039</u>
CREDITORS			
Amounts falling due after more than one year	13	-	(25,903)
PROVISIONS FOR LIABILITIES	16	<u>(60,255)</u>	<u>(22,252)</u>
NET ASSETS		<u><u>3,271,405</u></u>	<u><u>2,583,884</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	102,133	102,133
Share premium	18	13,867	13,867
Profit and loss account	18	<u>3,155,405</u>	<u>2,467,884</u>
SHAREHOLDERS' FUNDS	23	<u><u>3,271,405</u></u>	<u><u>2,583,884</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 25th September 2014 and were signed on its behalf by:



Mr P Doherty - Director

The notes form part of these abbreviated accounts

PRECISION ENGINEERING PLASTICS LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013**

		2013	2012
	Notes	£	£
Net cash inflow from operating activities	1	736,473	481,327
Returns on investments and servicing of finance	2	(22,053)	(18,500)
Taxation		(140,297)	(74,123)
Capital expenditure	2	(407,543)	(65,217)
Equity dividends paid		(150,000)	(65,000)
		16,580	258,487
Financing	2	(116,118)	(13,794)
(Decrease)/increase in cash in the period		(99,538)	244,693
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(99,538)	244,693
Cash outflow from decrease in debt and lease financing		116,118	13,794
Change in net funds resulting from cash flows		16,580	258,487
Movement in net funds in the period		16,580	258,487
Net funds/(debt) at 1st January		15,199	(243,288)
Net funds at 31st December		31,779	15,199

The notes form part of these abbreviated accounts

PRECISION ENGINEERING PLASTICS LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	1,088,687	541,344
Depreciation charges	162,859	151,981
Loss on disposal of fixed assets	-	437
Increase in stocks	(35,462)	(127,520)
Increase in debtors	(734,676)	(93,146)
Increase in creditors	255,065	8,231
Net cash inflow from operating activities	<u>736,473</u>	<u>481,327</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest element of hire purchase payments	(2,037)	(2,217)
Finance costs	(20,016)	(16,283)
Net cash outflow for returns on investments and servicing of finance	<u>(22,053)</u>	<u>(18,500)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(407,543)	(65,217)
Net cash outflow for capital expenditure	<u>(407,543)</u>	<u>(65,217)</u>
 Financing		
New loans in year	-	8,208
Loan repayments in year	(113,017)	(18,900)
Capital repayments in year	(3,101)	(3,102)
Net cash outflow from financing	<u>(116,118)</u>	<u>(13,794)</u>

The notes form part of these abbreviated accounts

PRECISION ENGINEERING PLASTICS LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank and in hand	<u>279,315</u>	<u>(99,538)</u>	<u>179,777</u>
	<u>279,315</u>	<u>(99,538)</u>	<u>179,777</u>
Debt:			
Hire purchase	(20,577)	3,101	(17,476)
Debts falling due within one year	(235,112)	104,590	(130,522)
Debts falling due after one year	<u>(8,427)</u>	<u>8,427</u>	<u>-</u>
	<u>(264,116)</u>	<u>116,118</u>	<u>(147,998)</u>
Total	<u>15,199</u>	<u>16,580</u>	<u>31,779</u>

The notes form part of these abbreviated accounts

PRECISION ENGINEERING PLASTICS LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2013

1. ACCOUNTING POLICIES

Accounting convention

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

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, excluding value added tax and trade discounts.

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.

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.

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 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.

PRECISION ENGINEERING PLASTICS LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

1. ACCOUNTING POLICIES - continued

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.

2. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	1,791,031	1,631,246
Social security costs	148,123	139,683
Other pension costs	29,454	18,598
	<u>1,968,608</u>	<u>1,789,527</u>

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

	2013	2012
Administration and management	16	14
Production	85	91
	<u>101</u>	<u>105</u>

3. OPERATING PROFIT

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

	2013	2012
	£	£
Hire of plant and machinery	2,698	5,742
Depreciation - owned assets	155,700	144,823
Depreciation - assets on hire purchase contracts	7,159	7,158
Loss on disposal of fixed assets	-	437
Auditors' remuneration	3,400	2,700
Foreign exchange differences	(3,315)	3,216
Operating leases - land and buildings	<u>177,785</u>	<u>156,000</u>
Directors' remuneration	74,018	119,009
Directors' pension contributions to money purchase schemes	<u>19,200</u>	<u>11,205</u>

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

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

PRECISION ENGINEERING PLASTICS LTD

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Hire purchase	2,037	2,217
Invoice discounting charges	20,016	16,283
	<u>22,053</u>	<u>18,500</u>

5. TAXATION

Analysis of the tax charge

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

	2013	2012
	£	£
Current tax:		
UK corporation tax	191,110	140,297
Deferred tax	38,003	(15,647)
Tax on profit on ordinary activities	<u>229,113</u>	<u>124,650</u>

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:

	2013	2012
	£	£
Profit on ordinary activities before tax	<u>1,066,634</u>	<u>522,844</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.246% (2012 - 24.168%)	247,950	126,361
Effects of:		
Expenses not deductible for tax purposes	818	1,110
Capital allowances in excess of depreciation	(39,347)	-
Depreciation in excess of capital allowances	-	12,826
Other allowances	(18,311)	-
Current tax charge	<u>191,110</u>	<u>140,297</u>

PRECISION ENGINEERING PLASTICS LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

6. DIVIDENDS

	2013 £	2012 £
Ordinary £1.00 shares of £1 each		
Interim dividend	146,867	63,644
Ordinary 10p shares of 10p each		
Interim dividend	3,133	1,356
	<u>150,000</u>	<u>65,000</u>

7. 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 £29,454 (2012: £18,598).

8. GOVERNMENT GRANTS

During the year the company received £2,500 in government grants towards training costs (2012: £1,200).

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2013	1,601,472	372,069	85,769	2,059,310
Additions	346,370	61,173	-	407,543
	<u>1,947,842</u>	<u>433,242</u>	<u>85,769</u>	<u>2,466,853</u>
At 31st December 2013				
	<u>1,947,842</u>	<u>433,242</u>	<u>85,769</u>	<u>2,466,853</u>
DEPRECIATION				
At 1st January 2013	1,412,538	177,390	64,890	1,654,818
Charge for year	94,580	61,120	7,159	162,859
	<u>1,507,118</u>	<u>238,510</u>	<u>72,049</u>	<u>1,817,677</u>
At 31st December 2013				
	<u>1,507,118</u>	<u>238,510</u>	<u>72,049</u>	<u>1,817,677</u>
NET BOOK VALUE				
At 31st December 2013	<u>440,724</u>	<u>194,732</u>	<u>13,720</u>	<u>649,176</u>
At 31st December 2012	<u>188,934</u>	<u>194,679</u>	<u>20,879</u>	<u>404,492</u>

PRECISION ENGINEERING PLASTICS LTD

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013**

9. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles £
COST	
At 1st January 2013	
and 31st December 2013	28,634
DEPRECIATION	
At 1st January 2013	7,755
Charge for year	7,159
At 31st December 2013	14,914
NET BOOK VALUE	
At 31st December 2013	13,720
At 31st December 2012	20,879

10. STOCKS

	2013 £	2012 £
Stocks	480,341	444,879

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	1,254,655	1,142,670
Amounts owed by group company	1,818,664	1,211,011
Other debtors	705	519
Prepayments	53,193	38,341
	3,127,217	2,392,541

PRECISION ENGINEERING PLASTICS LTD

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 14)	122,095	216,212
Other loans (see note 14)	8,427	18,900
Hire purchase contracts (see note 15)	17,476	3,101
Trade creditors	603,294	321,730
Corporation Tax	191,110	140,297
Social security and other taxes	20,713	21,216
VAT	122,977	122,909
Other creditors	872	1,391
Accrued expenses	17,887	43,432
	<u>1,104,851</u>	<u>889,188</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.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Other loans (see note 14)	-	8,427
Hire purchase contracts (see note 15)	-	17,476
	<u>-</u>	<u>25,903</u>

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

14. LOANS

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank loans	122,095	216,212
Carbon Trust Loan	8,427	18,900
	<u>130,522</u>	<u>235,112</u>
Amounts falling due between one and two years:		
Carbon Trust Loan	-	8,427
	<u>-</u>	<u>8,427</u>

PRECISION ENGINEERING PLASTICS LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2013	2012
	£	£
Gross obligations repayable:		
Within one year	19,333	5,138
Between one and five years	-	19,608
	<u>19,333</u>	<u>24,746</u>
Finance charges repayable:		
Within one year	1,857	2,037
Between one and five years	-	2,132
	<u>1,857</u>	<u>4,169</u>
Net obligations repayable:		
Within one year	17,476	3,101
Between one and five years	-	17,476
	<u>17,476</u>	<u>20,577</u>

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

	Land and buildings	
	2013	2012
	£	£
Expiring:		
Within one year	28,000	-
In more than five years	156,000	156,000
	<u>184,000</u>	<u>156,000</u>

16. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	<u>60,255</u>	<u>22,252</u>

PRECISION ENGINEERING PLASTICS LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2013

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st January 2013	22,252
Accelerated capital allowances	38,003
Balance at 31st December 2013	<u>60,255</u>

The deferred tax balance represents accelerated capital allowances.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
100,000	Ordinary £1.00	£1	100,000	100,000
21,330	Ordinary 10p	10p	2,133	2,133
			<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.

18. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2013	2,467,884	13,867	2,481,751
Profit for the year	837,521		837,521
Dividends	(150,000)		(150,000)
At 31st December 2013	<u>3,155,405</u>	<u>13,867</u>	<u>3,169,272</u>

19. ULTIMATE PARENT COMPANY

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

PRECISION ENGINEERING PLASTICS LTD

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2013

20. OTHER FINANCIAL COMMITMENTS

Orders contracted at the balance sheet date under purchase agreements for planned research and development projects and not provided for, amounted to £91,000 (2012: £nil).

21. RELATED PARTY DISCLOSURES

During the year, dividends totalling £150,000 (2012: £65,000) 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 (2012: £156,000).

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 £1,818,664 (2012: £1,211,011).

22. 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.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	837,521	398,194
Dividends	(150,000)	(65,000)
Net addition to shareholders' funds	687,521	333,194
Opening shareholders' funds	2,583,884	2,250,690
Closing shareholders' funds	3,271,405	2,583,884