

REGISTERED NUMBER: 02000951 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018
FOR
PRECISION ENGINEERING PLASTICS LTD**

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FOR THE YEAR ENDED 31ST DECEMBER 2018**

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PRECISION ENGINEERING PLASTICS LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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 2018**

The directors present their strategic report for the year ended 31st December 2018.

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 decreased by 5% during the year following the termination of a moulding contract. The decrease in turnover and increased costs have contributed to a 36% decrease in operating profit for the year, after adjusting for non-recurring items. Shareholders' funds increased by 5% and at the year end net assets per ordinary share were £46.

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 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. Brexit has created significant uncertainty which is likely to dampen the company's future growth, but in the directors' opinion, the company is well positioned to meet this challenge.

ON BEHALF OF THE BOARD:

Mr P Doheny - Director

26th September 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31st December 2018.

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 2018 will be £ 215,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2018 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 2018**

AUDITORS

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

ON BEHALF OF THE BOARD:

Mr P Doheny - Director

26th September 2019

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

Opinion

We have audited the financial statements of Precision Engineering Plastics Ltd (the 'company') for the year ended 31st December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 31st December 2018 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.

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 Auditors' 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt
- about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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 Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine 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.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 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.

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 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	2018 £	2017 £
TURNOVER	4	6,578,438	6,946,254
Cost of sales		<u>(4,412,955)</u>	<u>(4,294,907)</u>
GROSS PROFIT		2,165,483	2,651,347
Administrative expenses		<u>(1,555,690)</u>	<u>(1,372,999)</u>
		609,793	1,278,348
Other operating income		<u>-</u>	<u>68,000</u>
OPERATING PROFIT	6	609,793	1,346,348
Interest payable and similar expenses	7	<u>-</u>	<u>(838)</u>
PROFIT BEFORE TAXATION		609,793	1,345,510
Tax on profit	8	<u>(116,218)</u>	<u>(256,151)</u>
PROFIT FOR THE FINANCIAL YEAR		493,575	1,089,359
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>493,575</u>	<u>1,089,359</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2018

		2018	2017
	Notes	£	£
FIXED ASSETS			
Tangible assets	11	436,234	600,084
CURRENT ASSETS			
Stocks	12	322,174	664,011
Debtors	13	3,283,627	3,134,732
Cash at bank and in hand		<u>2,530,578</u>	<u>1,962,197</u>
		6,136,379	5,760,940
CREDITORS			
Amounts falling due within one year	14	<u>(914,502)</u>	<u>(958,659)</u>
NET CURRENT ASSETS		<u>5,221,877</u>	<u>4,802,281</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,658,111	5,402,365
PROVISIONS FOR LIABILITIES	17	<u>(40,355)</u>	<u>(63,184)</u>
NET ASSETS		<u>5,617,756</u>	<u>5,339,181</u>
CAPITAL AND RESERVES			
Called up share capital	18	102,133	102,133
Share premium		13,867	13,867
Retained earnings		<u>5,501,756</u>	<u>5,223,181</u>
SHAREHOLDERS' FUNDS		<u>5,617,756</u>	<u>5,339,181</u>

The financial statements were approved by the Board of Directors on 26th September 2019 and were signed on its behalf by:

Mr P Doheny - Director

Mr V Marino - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2017	102,133	4,294,822	13,867	4,410,822
Changes in equity				
Dividends	-	(161,000)	-	(161,000)
Total comprehensive income	-	1,089,359	-	1,089,359
Balance at 31st December 2017	102,133	5,223,181	13,867	5,339,181
Changes in equity				
Dividends	-	(215,000)	-	(215,000)
Total comprehensive income	-	493,575	-	493,575
Balance at 31st December 2018	102,133	5,501,756	13,867	5,617,756

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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 2018

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.

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 2018

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:

	2018	2017
	£	£
United Kingdom	5,615,750	5,704,284
Europe	802,242	1,098,467
Rest of the World	160,446	143,503
	<u>6,578,438</u>	<u>6,946,254</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2018

5. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	2,152,148	2,175,231
Social security costs	199,254	193,994
Other pension costs	289,036	64,181
	<u>2,640,438</u>	<u>2,433,406</u>

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

	2018	2017
Administration and management	17	18
Production	<u>80</u>	<u>83</u>
	<u>97</u>	<u>101</u>

	2018	2017
	£	£
Directors' remuneration	87,535	87,061
Directors' pension contributions to money purchase schemes	<u>229,200</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>
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6. OPERATING PROFIT

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

	2018	2017
	£	£
Depreciation - owned assets	247,675	247,940
Depreciation - assets on hire purchase contracts or finance leases	-	10,125
Profit on disposal of fixed assets	-	(4,500)
Auditors' remuneration	5,000	5,000
Foreign exchange differences	8,076	(10,539)
Operating leases - land and buildings	<u>276,000</u>	<u>276,000</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Hire purchase interest	<u>-</u>	<u>838</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2018

8. TAXATION

Analysis of the tax charge

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

	2018 £	2017 £
Current tax:		
UK corporation tax	139,047	259,567
Deferred tax	(22,829)	(3,416)
Tax on profit	<u>116,218</u>	<u>256,151</u>

Reconciliation of total tax charge included in profit and loss

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

	2018 £	2017 £
Profit before tax	<u>609,793</u>	<u>1,345,510</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	115,861	259,011
Effects of:		
Expenses not deductible for tax purposes	357	515
Capital allowances in excess of depreciation	-	(3,375)
Total tax charge	<u>116,218</u>	<u>256,151</u>

9. DIVIDENDS

	2018 £	2017 £
Ordinary £1.00 shares of £1 each		
Interim dividend	210,509	157,637
Ordinary 10p shares of 10p each		
Interim dividend	4,491	3,363
	<u>215,000</u>	<u>161,000</u>

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 £289,036 (2017: £64,181).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2018

11. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st January 2018	2,572,463	170,904	98,274	2,841,641
Additions	58,134	25,691	-	83,825
Disposals	-	-	(69,134)	(69,134)
At 31st December 2018	<u>2,630,597</u>	<u>196,595</u>	<u>29,140</u>	<u>2,856,332</u>
DEPRECIATION				
At 1st January 2018	2,005,128	144,905	91,524	2,241,557
Charge for year	229,076	11,849	6,750	247,675
Eliminated on disposal	-	-	(69,134)	(69,134)
At 31st December 2018	<u>2,234,204</u>	<u>156,754</u>	<u>29,140</u>	<u>2,420,098</u>
NET BOOK VALUE				
At 31st December 2018	<u>396,393</u>	<u>39,841</u>	<u>-</u>	<u>436,234</u>
At 31st December 2017	<u>567,335</u>	<u>25,999</u>	<u>6,750</u>	<u>600,084</u>

12. STOCKS

	2018 £	2017 £
Raw materials and consumables	164,164	285,887
Finished goods	<u>158,010</u>	<u>378,124</u>
	<u>322,174</u>	<u>664,011</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	1,594,354	1,424,094
Amounts owed by group company	1,631,973	1,661,453
Other debtors	5	16
Prepayments	<u>57,295</u>	<u>49,169</u>
	<u>3,283,627</u>	<u>3,134,732</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2018

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	327,575	395,224
Corporation Tax	139,047	259,567
Social security and other taxes	24,358	25,890
VAT	143,664	119,058
Other creditors	16,715	11,482
Accrued expenses	263,143	147,438
	<u>914,502</u>	<u>958,659</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	276,000	276,000
Between one and five years	1,104,000	1,104,000
In more than five years	1,863,000	2,139,000
	<u>3,243,000</u>	<u>3,519,000</u>

16. SECURED DEBTS

The company has bank facilities which are secured by way of a debenture over its book debts and assets, together with an unlimited guarantee given its parent company, Precision Engineering Plastics (Holdings) Limited.

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>40,355</u>	<u>63,184</u>
		Deferred tax
		£
Balance at 1st January 2018		63,184
Credit to Statement of Comprehensive Income during year		<u>(22,829)</u>
Balance at 31st December 2018		<u>40,355</u>

The deferred tax balance represents accelerated capital allowances.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2018

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018 £	2017 £
Number:	Class:			
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.

19. 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.

20. 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.

21. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.