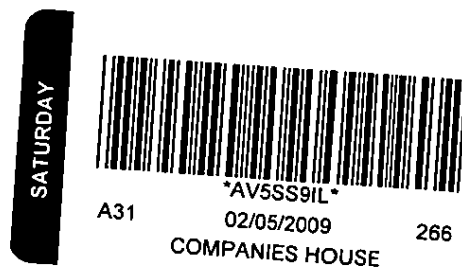


**Rotalac Plastics Limited**  
**Report of the Directors and**  
**Audited Financial Statements**  
**for the year ended 31 December 2008**



# **Rotalac Plastics Limited**

## **Contents of the Financial Statements for the year ended 31 December 2008**

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# **Rotalac Plastics Limited**

## **Company Information**

**for the year ended 31 December 2008**

**DIRECTORS:**

L Timmins  
IM Willis

**SECRETARY:**

IM Willis

**REGISTERED OFFICE:**

Southmoor Road  
Roundthorn Industrial Estate  
Wythenshawe  
Manchester  
M23 9DU

**REGISTERED NUMBER:**

04081363 (England and Wales)

**AUDITORS:**

McMillan & Co  
Chartered Accountants and  
Registered Auditors  
28 Eaton Avenue  
Matrix Office Park  
Buckshaw Village  
Chorley  
Lancashire  
PR7 7NA

# **Rotalac Plastics Limited**

## **Report of the Directors for the year ended 31 December 2008**

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of injection moulding, shutter assembly and the extrusion of plastic products.

### **REVIEW OF BUSINESS**

Overall the directors are satisfied with the results for the year given the trading conditions, although they are a little disappointed with the dip in sales of some £350,000 (8.8%) on last year. The directors are confident that this can be reversed in the coming year and are optimistic that sales will increase to levels significantly above this year in the short to medium term. Consequently, given the fall in revenues, the directors and senior management have looked hard at the cost base and made savings where possible. As a result overall profitability remains healthy, despite increasing pension costs relating to the defined benefit scheme.

The directors would again like to thank all of the employees for their efforts and remain very optimistic about the company's future prospects.

During the year the company applied to the courts for a "Reduction of Share Capital" and this was granted by the High Court of Justice, Chancery Division on 18 July 2008. Consequently the company's issued share capital was reduced from 2,400,002 issued £1 shares to 296,064 issued £1 shares. The reduction of £2,103,938 has been reflected in the company's reserves.

### **FIXED ASSETS**

The movements in fixed assets are set out in the notes to the financial statements.

### **FUTURE DEVELOPMENTS**

The directors aim to continue with the policies that have proved to be successful for this and last year. In particular, given the fall in the value of the £ sterling against foreign currencies, particularly the US \$, the directors are confident that the company will increase its export sales in the short to medium term.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

L Timmins  
IM Willis

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

# **Rotalac Plastics Limited**

## **Report of the Directors for the year ended 31 December 2008**

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

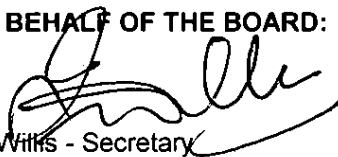
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITORS**

Pursuant to a shareholders resolution, the company is not obliged to reappoint its auditors annually and McMillan & Co will therefore continue in office.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### **ON BEHALF OF THE BOARD:**



IM Wilks - Secretary

23 April 2009

## **Report of the Independent Auditors to the Shareholders of Rotalac Plastics Limited**

We have audited the financial statements of Rotalac Plastics Limited for the year ended 31 December 2008 on pages five to fifteen. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



McMillan & Co  
Chartered Accountants and  
Registered Auditors

23 April 2009

# Rotalac Plastics Limited

## Profit and Loss Account for the year ended 31 December 2008

	Notes	2008		2007	
		£	£	£	£
<b>TURNOVER</b>			<b>3,646,320</b>		3,997,303
Cost of sales			<b>2,749,561</b>		3,105,082
<b>GROSS PROFIT</b>			<b>896,759</b>		892,221
Distribution costs		<b>342,189</b>		361,182	
Administrative expenses		<b>344,177</b>		418,850	
			<b>686,366</b>		780,032
<b>OPERATING PROFIT</b>	3		<b>210,393</b>		112,189
Interest receivable and similar income		<b>7,583</b>		21	
Other finance income	15	<b>43,000</b>		17,000	
			<b>50,583</b>		17,021
			<b>260,976</b>		129,210
Interest payable and similar charges			<b>16,903</b>		9,471
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>244,073</b>		119,739
Tax on profit on ordinary activities	4		-		-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<b>244,073</b>		119,739

The notes form part of these financial statements

## **Rotalac Plastics Limited**

### **Statement of Total Recognised Gains and Losses for the year ended 31 December 2008**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>244,073</b>	<b>119,739</b>
Actuarial (loss)/gain on pension scheme	<b>(150,000)</b>	<b>(50,000)</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b><u>94,073</u></b>	<b><u>69,739</u></b>



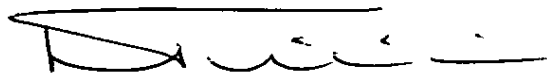
# Rotalac Plastics Limited

## Balance Sheet 31 December 2008

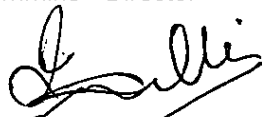
	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Intangible assets	6	-	-
Tangible assets	7	<u>716,079</u>	<u>676,237</u>
		<b>716,079</b>	<b>676,237</b>
<b>CURRENT ASSETS</b>			
Stocks	8	226,894	224,275
Debtors	9	1,013,255	1,112,617
Cash in hand		<u>616</u>	<u>554</u>
		<b>1,240,765</b>	<b>1,337,446</b>
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>934,150</u>	<u>1,067,062</u>
<b>NET CURRENT ASSETS</b>		<u><b>306,615</b></u>	<u><b>270,384</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,022,694</b>	<b>946,621</b>
<b>PENSION LIABILITY</b>	15	<u><b>(697,000)</b></u>	<u><b>(643,000)</b></u>
<b>NET ASSETS</b>		<u><u><b>325,694</b></u></u>	<u><u><b>303,621</b></u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	296,064	2,400,002
Profit and loss account	14	<u>29,630</u>	<u>(2,096,381)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u><b>325,694</b></u></u>	<u><u><b>303,621</b></u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 23 April 2009 and were signed on its behalf by:



L Timmins - Director



IM Willis - Director

The notes form part of these financial statements

# Rotalac Plastics Limited

## Notes to the Financial Statements for the year ended 31 December 2008

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

#### Turnover

Turnover represents the value of sales earned in the year, excluding value added tax.

#### Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is written off immediately.

#### 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	- at variable rates on reducing balance
Fixtures and fittings	- 10% on reducing balance
Computer equipment	- 20% on reducing balance

#### Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance 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.

#### 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

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 both a defined benefit and defined contribution pension scheme and the defined benefit scheme has been closed.

The defined benefit scheme assets and liabilities are shown in the balance sheet and interest on pension scheme liabilities is charged to the profit and loss account. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Contributions payable to the defined contribution scheme are charged to the profit and loss account as incurred. The asset of this scheme are held separately from the company in an independently administered fund and are not disclosed in the financial statements.

# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 2. STAFF COSTS

	2008 £	2007 £
Wages and salaries	954,885	1,126,986
Social security costs	89,047	126,233
Other pension costs	76,039	80,404
	<u>1,119,971</u>	<u>1,333,623</u>

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

	2008	2007
Production	37	40
Management and administration	14	15
	<u>51</u>	<u>55</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2008 £	2007 £
Depreciation - owned assets	54,817	52,269
Loss on disposal of fixed assets	494	598
Auditors' remuneration	5,000	4,700
Operating lease rent of premises	146,900	130,300
Operating leases hire of equipment	64,740	63,502
	<u>155,558</u>	<u>200,608</u>
Directors' emoluments and other benefits etc		
	<u>155,558</u>	<u>200,608</u>

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

	2008	2007
Money purchase schemes	2	2
Defined benefit schemes	-	1
	<u>2</u>	<u>3</u>

### 4. TAXATION

#### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2008 nor for the year ended 31 December 2007.

# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 4. TAXATION - continued

#### Factors affecting the tax charge

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

	2008 £	2007 £
Profit on ordinary activities before tax	<u>244,073</u>	<u>119,739</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2007 - 20%)	51,255	23,948
Effects of:		
Expenditure disallowed for tax purposes forward	6,655	2,812
Timing of pension scheme contributions and interest under FRS17	(18,060)	(12,800)
Depreciation on non qualifying assets	1,465	1,408
Movement in deferred tax on tangible fixed assets tax	(41,315)	(15,368)
Current tax charge	<u>-</u>	<u>-</u>

The company has unused corporation tax losses of some £1.8m (2007 £1.8m).

### 5. DIVIDENDS

	2008 £	2007 £
Dividends paid	<u>72,000</u>	<u>-</u>

### 6. INTANGIBLE FIXED ASSETS

#### COST

At 1 January 2008  
and 31 December 2008

Goodwill  
£

192,065

#### AMORTISATION

At 1 January 2008  
and 31 December 2008

192,065

#### NET BOOK VALUE

At 31 December 2008

-

At 31 December 2007

-

# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2008	1,801,643	140,592	68,888	2,011,123
Additions	90,549	-	4,603	95,152
Disposals	-	-	(2,680)	(2,680)
At 31 December 2008	1,892,192	140,592	70,811	2,103,595
<b>DEPRECIATION</b>				
At 1 January 2008	1,282,393	14,853	37,639	1,334,885
Charge for year	32,817	13,806	8,194	54,817
Eliminated on disposal	-	-	(2,186)	(2,186)
At 31 December 2008	1,315,210	28,659	43,647	1,387,516
<b>NET BOOK VALUE</b>				
At 31 December 2008	576,982	111,933	27,164	716,079
At 31 December 2007	519,250	125,739	31,249	676,238

### 8. STOCKS

	2008 £	2007 £
Raw materials	188,668	180,895
Work-in-progress	28,407	28,973
Finished goods	9,819	14,407
	226,894	224,275

### 9. DEBTORS

	2008 £	2007 £
Amounts falling due within one year:		
Trade debtors	835,641	926,410
Prepayments and accrued income	118,864	127,457
	954,505	1,053,867
Amounts falling due after more than one year:		
Deposit on long leasehold premises	58,750	58,750
	58,750	58,750
Aggregate amounts	1,013,255	1,112,617

# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank loans and overdrafts	262,780	224,412
Trade creditors	535,237	716,647
Social security and other taxes	70,064	88,215
Other creditors	7,303	9,867
Directors' current accounts	945	-
Accruals and deferred income	57,821	27,921
	<u>934,150</u>	<u>1,067,062</u>

The directors current accounts are unsecured, interest free and have no fixed repayment dates.

### 11. OPERATING LEASE COMMITMENTS

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

	2008 £	2007 £
Expiring:		
Between one and five years	45,175	48,362
In more than five years	146,000	146,000
	<u>191,175</u>	<u>194,362</u>

### 12. SECURED DEBTS

The following secured debts are included within creditors:

	2008 £	2007 £
Bank overdrafts	262,780	224,412

The bank overdraft is secured on the assets of the company.

### 13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2008 £	2007 £
10,000,000	Ordinary	£1	10,000,000	10,000,000
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008 £	2007 £
296,064	Ordinary	£1	296,064	2,400,002
(2007 - 2,400,002)				

During the year the company applied to the courts for a "Reduction of Share Capital" and this was granted by the High Court of Justice, Chancery Division on 18 July 2008. Consequently the company's issued share capital was reduced from 2,400,002 issued £1 shares to 296,064 issued £1 shares. The reduction of £2,103,938 has been reflected in the company's reserves.

# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 14. RESERVES

	Profit and loss account £
At 1 January 2008	(2,096,381)
Profit for the year	244,073
Dividends	(72,000)
Actuarial gain relating to defined benefit pension schemes	(150,000)
Capital reduction	2,103,938
At 31 December 2008	<u>29,630</u>
Profit and loss account excluding pension liability	726,630
Pension deficit	<u>(697,000)</u>
Profit and loss account	<u>29,630</u>

# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 15. PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out on 31 March 2007 and updated to 31 December 2008 by a qualified independent actuary. The next full valuation will be at 31 March 2010. Details of the defined benefit scheme are as follows;

To 1 April 2004 the company was a member of the BI Group Retirement Benefit Plan. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund.

From 1 August 2001, as a result of the demerger of the Cortworth Pension Plan, the company became the principal employer of a defined benefit pension scheme, the Rotalac Plastics Pension Plan; the "Plan", which is administered by trustees. The scheme is closed to new members. Contributions to the Plan are charged to the profit and loss account so as to spread the cost of the pensions over the employees working lives with the company. The contributions are determined by independent qualified actuaries. The major assumptions used by the actuary were;

	2008	2007
Discount rate	7.00%pa	5.95%pa
Inflation assumption	2.40%pa	3.10%pa
Rate of increase in pensions payment	2.40%pa	3.10%pa
Rate of increase in deferred pensions	2.40%pa	3.10%pa
Post retirement mortality assumption	PA92MC	PA92MC
	year of birth	year of birth
Salary increases	n/a	n/a
Long term expected rate of return on the plan's assets for following year	7.69%pa	8.19%pa

#### Analysis of other finance income or other finance costs

	2008	2007
	£	£
Expected return on pension scheme assets	296,000	251,000
Interest on pension scheme liabilities	(253,000)	(234,000)
Other finance income	<u>43,000</u>	<u>17,000</u>

#### Assets of the scheme

	2008	2007
	£	£
Schroder Life Diversified Growth Fund	2,620,000	3,826,000
Interest on pension scheme liabilities	8,000	71,000
	<u>2,628,000</u>	<u>3,897,000</u>

#### Value of scheme assets and liabilities

	2008	2007
	£	£
Market value of assets	2,628,000	3,897,000
Present value of scheme liabilities	(3,325,000)	(4,540,000)
Deficit in scheme	<u>(697,000)</u>	<u>(643,000)</u>
Net pension liability	<u>(697,000)</u>	<u>(643,000)</u>



# Rotalac Plastics Limited

## Notes to the Financial Statements - continued for the year ended 31 December 2008

### 15. PENSION COMMITMENTS - continued

#### Movement in deficit during the year

	2008 £	2007 £
Deficit in scheme at start of year	(643,000)	(657,000)
Contributions	53,000	47,000
Other finance income	43,000	17,000
Actuarial gain	(150,000)	(50,000)
Deficit in scheme at end of year	<u>(697,000)</u>	<u>(643,000)</u>

### 16. ULTIMATE CONTROLLING PARTY

In the opinion of the directors Mr L Timmins and Mr IM Willis control the company by virtue of their shareholding.