
REGISTERED NUMBER: 04081363 (England and Wales)

Rotalac Plastics Limited
Report of the Directors and
Audited Financial Statements
for the year ended 31 December 2011



Rotalac Plastics Limited (Registered number: 04081363)

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Rotalac Plastics Limited

Company Information for the year ended 31 December 2011

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 LLP
Chartered Accountants and
Statutory Auditors
28 Eaton Avenue
Matrix Office Park
Buckshaw Village
Chorley
Lancashire
PR7 7NA

Rotalac Plastics Limited (Registered number: 04081363)

Report of the Directors for the year ended 31 December 2011

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

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 the company continues to face very challenging economic conditions. The UK and many fellow EU countries are experiencing low economic growth at the moment and this, together with the continued uncertainty over potential sovereign defaults in the EU, is making things tough. However, we are beginning to see some movement in other overseas markets and recently the company has gained a number of new customers in North America. Overall turnover is some £100,000 up on the previous year, which is very encouraging, but still down on levels being achieved some 2-4 years ago. The directors believe that given positive economic action by governments throughout the world the company can readily achieve those levels of income again.

The directors have always been mindful of becoming over reliant upon certain customers and with the marketing strategies that have been in place for some time have been able to increase the customer base of the company quite considerably. At the present there are more active customer accounts than at most other points in the recent past. This augers well for increasing future revenues. The directors and senior management have kept tight control on the cost spend in the year, mindful of the unpredictability of the income and the economy in general, and overall costs are in line with expectations with no significant one-off costs this year.

The company has still managed to generate approximately £210,000 of Operating Profits, which is up on last years £142,000 which is a very creditable performance given the challenges faced.

Looking forward there still remains uncertainty over future commodity prices and inflationary pressures but some of these factors are simply outside the control of the directors and management, as they are for many other companies. However, with strict budgetary controls and efficient utilisation of resources the directors are confident the company can continue to prosper.

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

FUTURE DEVELOPMENTS

The directors aim to continue with the policies that have proved to be successful for this and last year and in particular to continue to increase the customer base, both at home and abroad.

DIRECTORS

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

L Timmins
IM Willis

Rotalac Plastics Limited (Registered number: 04081363)

Report of the Directors

for the year ended 31 December 2011

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

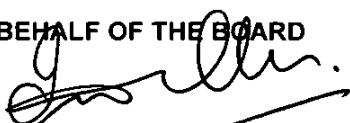
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

AUDITORS

The auditors, McMillan & Co LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

ON BEHALF OF THE BOARD



IM Willis - Secretary

15 March 2012

Report of the Independent Auditors to the Members of Rotalac Plastics Limited

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Neil McMillan (Senior Statutory Auditor)
for and on behalf of McMillan & Co LLP
Chartered Accountants and
Statutory Auditors

15 March 2012

Rotalac Plastics Limited (Registered number: 04081363)

Profit and Loss Account for the year ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER		3,444,528	3,345,451
Cost of sales		<u>2,577,089</u>	<u>2,554,070</u>
GROSS PROFIT		867,439	791,381
Distribution costs		353,088	356,870
Administrative expenses		<u>304,625</u>	<u>292,610</u>
		657,713	649,480
OPERATING PROFIT	3	209,726	141,901
Other finance income	15	<u>36,000</u>	<u>-</u>
		245,726	141,901
Interest payable and similar charges		4,848	1,229
Other finance costs	15	<u>-</u>	<u>9,000</u>
		4,848	10,229
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		240,878	131,672
Tax on profit on ordinary activities	4	<u>(100)</u>	<u>(7,500)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>240,978</u>	<u>139,172</u>

The notes form part of these financial statements

Rotalac Plastics Limited (Registered number: 04081363)

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2011

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	240,978	139,172
Actuarial (loss)/gain on pension scheme	<u>(136,000)</u>	<u>(80,000)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>104,978</u></u>	<u><u>59,172</u></u>

The notes form part of these financial statements

Rotalac Plastics Limited (Registered number: 04081363)

Balance Sheet 31 December 2011

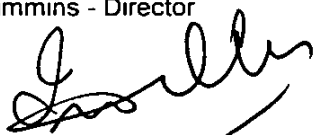
	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	6	-	-
Tangible assets	7	746,050	743,317
		<u>746,050</u>	<u>743,317</u>
CURRENT ASSETS			
Stocks	8	215,453	249,765
Debtors	9	978,375	819,425
Cash in hand		127	70
		<u>1,193,955</u>	<u>1,069,260</u>
CREDITORS			
Amounts falling due within one year	10	851,618	720,068
NET CURRENT ASSETS		<u>342,337</u>	<u>349,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,088,387</u>	<u>1,092,509</u>
PENSION LIABILITY	15	(782,400)	(735,500)
NET ASSETS		<u><u>305,987</u></u>	<u><u>357,009</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	304,987	356,009
SHAREHOLDERS' FUNDS		<u><u>305,987</u></u>	<u><u>357,009</u></u>

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

The financial statements were approved by the Board of Directors on 15 March 2012 and were signed on its behalf by



L Timmins - Director



IM Willis - Director

The notes form part of these financial statements

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements for the year ended 31 December 2011

1 ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents 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 now fully written off

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 to new entrants.

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 (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

2 STAFF COSTS

	2011 £	2010 £
Wages and salaries	818,291	813,878
Social security costs	83,052	83,004
Other pension costs	62,407	71,354
	<u>963,750</u>	<u>968,236</u>

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

	2011	2010
Production	30	29
Management and administration	14	14
	<u>44</u>	<u>43</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation - owned assets	45,567	53,822
Loss on disposal of fixed assets	1,021	1,174
Auditors' remuneration	5,000	5,000
Currency losses	6,397	9,180
Operating lease, rent of premises	146,000	146,000
Operating leases, hire of equipment and vehicles	76,911	63,717
	<u>82,252</u>	<u>90,257</u>

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

	2011	2010
Money purchase schemes	<u>2</u>	<u>2</u>

4 TAXATION

Analysis of the tax credit

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

	2011 £	2010 £
Deferred tax on defined benefit pension fund deficit	(100)	(7,500)
Tax on profit on ordinary activities	<u>(100)</u>	<u>(7,500)</u>

UK corporation tax has been charged at 20% (2010 - 21%)

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

4 TAXATION - continued

Factors affecting the tax credit

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>240,878</u>	<u>131,672</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	48,176	27,651
Effects of		
Expenditure disallowed for tax purposes	1,718	1,668
Utilisation of trading losses brought forward	(41,408)	(31,611)
Timing of pension scheme contributions and interest under FRS17	(17,800)	(9,240)
Depreciation on non qualifying assets and disallowed IBA's	1,022	1,221
Movement in deferred tax on tangible fixed assets	<u>8,292</u>	<u>10,311</u>
Current tax credit	<u>-</u>	<u>-</u>

The company has recognised deferred tax in respect of the following,

	2011 £	2010 £
Defined benefit pension fund liability	<u>978,000</u>	<u>931,000</u>
Deferred tax asset that has been recognised in the financial statements	<u>195,600</u>	<u>195,500</u>

The company has not recognised deferred tax in respect of the following,

	2011 £	2010 £
Unrelieved trading losses	1,289,100	1,496,138
Accelerated capital allowances	59,137	17,675
Deferred asset	<u>1,348,237</u>	<u>1,513,813</u>
Deferred tax asset that has not been recognised in the financial statements	<u>269,647</u>	<u>317,901</u>

The company has used a tax rate of 20% (2010 21%) in calculating the above

5 DIVIDENDS

	2011 £	2010 £
Dividends paid	<u>156,000</u>	<u>156,000</u>

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

6 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2011	
and 31 December 2011	<u>192,065</u>
AMORTISATION	
At 1 January 2011	
and 31 December 2011	<u>192,065</u>
NET BOOK VALUE	
At 31 December 2011	<u>-</u>
At 31 December 2010	<u>-</u>

7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2011	2,013,566	140,592	79,176	2,233,334
Additions	42,063	-	8,342	50,405
Disposals	(2,797)	-	(2,275)	(5,072)
At 31 December 2011	<u>2,052,832</u>	<u>140,592</u>	<u>85,243</u>	<u>2,278,667</u>
DEPRECIATION				
At 1 January 2011	1,377,173	52,181	60,663	1,490,017
Charge for year	32,233	10,064	3,270	45,567
Eliminated on disposal	(1,313)	-	(1,654)	(2,967)
At 31 December 2011	<u>1,408,093</u>	<u>62,245</u>	<u>62,279</u>	<u>1,532,617</u>
NET BOOK VALUE				
At 31 December 2011	<u>644,739</u>	<u>78,347</u>	<u>22,964</u>	<u>746,050</u>
At 31 December 2010	<u>636,393</u>	<u>88,411</u>	<u>18,513</u>	<u>743,317</u>

8 STOCKS

	2011 £	2010 £
Raw materials	162,645	184,171
Work-in-progress	27,204	34,110
Finished goods	25,604	31,484
	<u>215,453</u>	<u>249,765</u>

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

9 DEBTORS

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	805,242	649,578
Prepayments and accrued income	114,383	111,097
	<u>919,625</u>	<u>760,675</u>
Amounts falling due after more than one year		
Deposit on long leasehold premises	58,750	58,750
	<u>58,750</u>	<u>58,750</u>
Aggregate amounts	<u>978,375</u>	<u>819,425</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts	101,102	41,842
Trade creditors	586,748	567,964
Social security and other taxes	85,852	73,039
Other creditors	5,926	7,250
Accruals and deferred income	71,990	29,973
	<u>851,618</u>	<u>720,068</u>

11 OPERATING LEASE COMMITMENTS

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

	2011 £	2010 £
Expiring		
Between one and five years	50,000	54,000
In more than five years	146,000	146,000
	<u>196,000</u>	<u>200,000</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank overdrafts	<u>101,102</u>	<u>41,842</u>

The bank overdraft is secured on the assets of the company

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £ <u>1,000</u>	2010 £ <u>1,000</u>
1,000	Ordinary			

14 RESERVES

	Profit and loss account £
At 1 January 2011	356,009
Profit for the year	240,978
Dividends	(156,000)
Actuarial gain relating to defined benefit pension schemes	(136,000)
At 31 December 2011	<u>304,987</u>
Profit and loss account excluding pension liability	1,087,387
Pension deficit	(782,400)
Profit and loss account	<u>304,987</u>

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

15 PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK which is closed to new members. A full actuarial valuation was carried out on 31 March 2010 and updated to 31 December 2011 by a qualified independent actuary. The next full valuation will be at 31 March 2013. 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. 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:

	2011	2010
Discount rate	5.50%pa	5.90%pa
Inflation assumption	3.00%pa	3.60%pa
Rate of increase in pensions payment	3.00%pa	3.60%pa
Rate of increase in deferred pensions	2.00%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	8.00%pa	8.60%pa

Analysis of other finance income or other finance costs

	2011 £	2010 £
Expected return on pension scheme assets	285,000	258,000
Interest on pension scheme liabilities	(249,000)	(267,000)
Net other finance income/(cost)	<u>36,000</u>	<u>(9,000)</u>

Assets of the scheme

	2011 £	2010 £
Schroder Life Diversified Growth Fund	3,014,000	3,384,000
Bank and cash	28,000	5,000
	<u>3,042,000</u>	<u>3,389,000</u>

Value of scheme assets and liabilities

	2011 £	2010 £
Market value of assets	3,042,000	3,389,000
Present value of scheme liabilities	<u>(4,020,000)</u>	<u>(4,320,000)</u>
Deficit in scheme	(978,000)	(931,000)
Related deferred tax liability	195,600	195,500
Net pension liability	<u>(782,400)</u>	<u>(735,500)</u>

Rotalac Plastics Limited (Registered number: 04081363)

Notes to the Financial Statements - continued for the year ended 31 December 2011

15 PENSION COMMITMENTS - continued

Movement in deficit during the year

	2011 £	2010 £
Deficit in scheme at start of year	(931,000)	(895,000)
Contributions	53,000	53,000
Other finance income	36,000	(9,000)
Actuarial gain	(136,000)	(80,000)
Deficit in scheme at end of year	<u>(978,000)</u>	<u>(931,000)</u>

16 RELATED PARTY DISCLOSURES

During the year the directors received dividends totalling £117,000 (2010 £117,000) based on their shareholdings in the company

17 ULTIMATE CONTROLLING PARTY

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