

financial statements

VIP-Polymers Limited

For the year ended 31 March 2012

Company registration number 04256307

MONDAY



A1NYCO97

A40

17/12/2012

#34

COMPANIES HOUSE

VIP-Polymers Limited

Financial Statements

Year ended 31 March 2012

Contents	Page
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	6
Profit and loss account	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11

VIP-Polymers Limited

Officers and Professional Advisors

Year ended 31 March 2012

The Board of Directors

Mr L R Litwinowicz
Mr T Middleton
Mr J S D Millar
Mr S T Casey
Mr G McCullum

Company Secretary

Mr L R Litwinowicz

Registered Office

Unit 5 The Courtyard
Timothys Bridge Road
Stratford Upon Avon
Warwickshire
CV37 9NP

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
8-12 Priestgate
Peterborough
PE1 1JA

Bankers

Barclays Commercial Bank
PO Box 3333
One Snowhill
Snowhill Queensway
Birmingham
B3 2WN

VIP-Polymers Limited

The Directors' Report

Year ended 31 March 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2012

Principal activities and business review

The principle activity of the company during the year was the manufacture and distribution of rubber products

With market conditions already at low ebb a further significant downturn in ductile iron pipe seal business at a key customer resulted ultimately in a difficult trading year with the second half considerably tougher than initial trading. As a result turnover was down 13% resulting in a trading loss of £261,733 after exceptional costs of £138,501. The exceptional costs incurred through the closure of our Letchworth plant in January 2012 and redundancies in production areas, mainly in the second half of the year, as the business strived to reduce its cost base in alignment with turnover.

Despite the trading loss the company has taken actions to have an effective cost base that will continue to meet customer needs and has actioned a number of initiatives to ensure suitable working capital to manage the company through prevailing trading conditions, which are expected to continue to be difficult in the year ahead with turnover in the first half to be similar to those experienced in the second half of last year. A modest increase, largely as a result of new business development, is anticipated in the second half.

Throughout the year regular increases in material prices continued to feature. In part this was due to rising feeder stock prices, such as oil, but also as a result of continuing supply issues within the industry. Some material suppliers continue to operate on an allocation basis only with the frequency and level of price increases reflecting the level of supply available in the market.

The main risks arising from the Company's activities are credit risk, interest rate risk, commodity price risk and foreign currency risk.

The Company has a well-established base of customers and the credit risk is low.

The Company's overdraft facility attracts a variable rate above base and therefore has exposure to movements in the base rate, which has remained stable during the year.

Commodity prices have fluctuated during the past year with the oil price and natural rubber, in particular, having a major impact on input costs and ultimate demand.

The Company's predominant operating currency is sterling, but there are significant Euro revenues, and a number of forward contracts have been entered into during the year, the object of which was to hedge the Company's foreign exposure to Euro denominated receivables.

VIP-Polymers Limited

The Directors' Report *(continued)*

Year ended 31 March 2012

An extensive number of KPI's are used within the business including sales per employee, capacity and labour efficiency, stock turnover, customer complaints, supplier delivery, quality and health and safety monitors. Demanding targets are set at the beginning of each year and achievement to plan is measured continually. In the current financial year the Company achieved the following KPI results

	2011/12	2010/11
Sales per Employee	£96,892	£102,535
Operating Profit %	(2.0%)	1.9%
Interest cover	(9.1)	10.7
Stock Turnover (Weeks)	8.6	7.6

Debt levels reduced further and facilities with existing Bankers leave the Company with headroom to execute its current strategic objectives. Overall net worth reduced by £46,773 as a result of the operating losses incurred to £2,531,343.

In the opinion of the Directors, the Company's strategy to focus on its core business will enable it to continue to maintain its service to its existing customers and provide an excellent partner to new and prospective customers.

Results and dividends

The loss for the year before taxation amounted to £261,733. The directors have not recommended a dividend.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 March 2012	At 1 April 2011
Mr L R Litwinowicz	Ordinary Shares	8,000	8,000
Mr T Middleton	Ordinary Shares	8,000	8,000
Mr J S D Millar	Ordinary Shares	6,000	6,000
Mr S T Casey	Ordinary Shares	3,000	3,000
Mr G McCullum	Ordinary Shares	<u>3,000</u>	<u>3,000</u>

Mr D L Grove passed away on 12 November 2011.

Mr S J Mahoney resigned as a director on 30 August 2012.

VIP-Polymers Limited

The Directors' Report *(continued)*

Year ended 31 March 2012

Directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 those 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

VIP-Polymers Limited

The Directors' Report *(continued)*

Year ended 31 March 2012

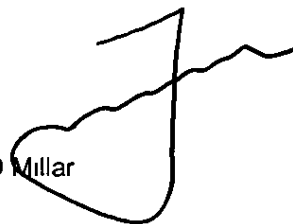
Auditor

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Unit 5 The Courtyard
Timothys Bridge Road
Stratford Upon Avon
Warwickshire
CV37 9NP

Signed on behalf of the directors

Mr J S D Millar
Director

A handwritten signature in black ink, appearing to be 'J S D Millar', written over a horizontal line.

Approved by the directors on

7/12/12

VIP-Polymers Limited

Independent Auditor's Report to the Shareholders of VIP-Polymers Limited

Year ended 31 March 2012

We have audited the financial statements of VIP-Polymers Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 44, 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 (APB'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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

VIP-Polymers Limited

Independent Auditor's Report to the Shareholders of VIP-Polymers Limited *(continued)*

Year ended 31 March 2012

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



Stuart Manning FCA (Senior Statutory Auditor)
For and on behalf of
MHA MacIntyre Hudson
Statutory Auditor
Chartered Accountants

8-12 Priestgate
Peterborough
PE1 1JA

12th December 2012

VIP-Polymers Limited

Profit and Loss Account

Year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	11,723,892	13,432,068
Raw materials and consumables		5,863,188	6,746,602
Staff costs	3	3,191,947	3,488,700
Depreciation written off fixed assets	4	335,332	309,097
Other operating charges		2,569,382	2,637,866
Operating (loss)/profit	4	(235,957)	249,803
Interest payable and similar charges	6	25,776	23,389
(Loss)/profit on ordinary activities before taxation		(261,733)	226,414
Tax on (loss)/profit on ordinary activities	7	(214,960)	63,642
(Loss)/profit on ordinary activities after taxation, being (loss)/profit for the financial year		£(46,773)	£162,772

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 11 to 25 form part of these financial statements

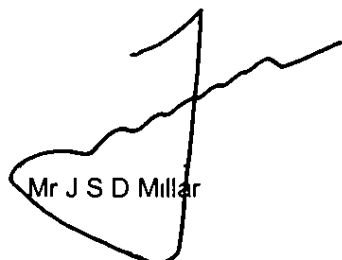
VIP-Polymers Limited

Balance Sheet

31 March 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	9	1,175,840	1,454,271
Investments	10	286,930	261,842
		<u>1,462,770</u>	<u>1,716,113</u>
Current assets			
Stocks	11	1,357,671	1,768,052
Debtors	12	1,943,447	1,995,101
Cash at bank		341,040	1,123,560
		<u>3,642,158</u>	<u>4,886,713</u>
Creditors' amounts falling due within one year	13	<u>2,267,351</u>	<u>3,470,313</u>
Net current assets		<u>1,374,807</u>	<u>1,416,400</u>
Total assets less current liabilities		<u>2,837,577</u>	<u>3,132,513</u>
Creditors' amounts falling due after more than one year	14	199,690	402,150
Provisions for liabilities			
Deferred taxation	16	106,544	152,247
		<u>£2,531,343</u>	<u>£2,578,116</u>
Capital and reserves			
Called-up equity share capital	19	100,000	100,000
Profit and loss account	20	2,431,343	2,478,116
Shareholders' funds	21	<u>£2,531,343</u>	<u>£2,578,116</u>

These financial statements were approved by the directors and authorised for issue on 7/12/12, and are signed on their behalf by



Mr J S D Millar



Mr G McCullum

Company Registration Number 04256307

The notes on pages 11 to 25 form part of these financial statements

VIP-Polymers Limited

Cash Flow Statement

Year ended 31 March 2012

	Note	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	22	(616,545)	342,527
Returns on investments and servicing of finance	22	(25,776)	(23,389)
Taxation	22	150,514	(128,465)
Capital expenditure and financial investment	22	(81,989)	(6,549)
Cash (outflow)/inflow before financing		(573,796)	184,124
Financing	22	(208,724)	(307,191)
Decrease in cash	22	<u>£(782,520)</u>	<u>£(123,067)</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents the amounts receivable during the year, exclusive of Value Added Tax

Research and development

Research and development expenditure is written off in the year in which it is incurred

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities

Negative goodwill is capitalised on the balance sheet and released to the profit and loss account over the period during which the non-monetary assets acquired are recovered, which is deemed to be 10 years

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Goodwill	-	over 10 years
----------	---	---------------

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Plant & machinery	-	over 3 to 10 years
Moulds and dies	-	over 5 years
Motor vehicles	-	over 5 years
Equipment	-	over 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

1. Accounting policies *(continued)*

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

1 Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Factoring

The company factors the majority of its sales, under an invoice discounting scheme. The company deals with the collection of these debts, and retains the benefits and risks. Accordingly trade debtors are shown in full and advances from the factoring company appear in creditors.

Pension costs

The company makes contributions to employees' and directors' personal defined contribution pension schemes. These contributions are charged to the Profit and Loss account. The assets of the scheme are held separately from those of the company in an independently administered fund.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2012 £	2011 £
United Kingdom	6,752,226	6,979,933
Overseas	4,971,666	6,452,135
	<u>11,723,892</u>	<u>13,432,068</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2012 No	2011 No
Number of production staff	79	81
Number of administrative staff	39	40
	<u>118</u>	<u>121</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	2,780,623	3,034,367
Social security costs	287,393	315,655
Other pension costs	123,931	138,678
	<u>3,191,947</u>	<u>3,488,700</u>

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation of intangible assets	–	(29,098)
Depreciation of owned fixed assets	196,140	217,872
Depreciation of assets held under hire purchase agreements	142,590	142,590
Profit on disposal of fixed assets	(3,398)	(22,267)
Auditor's remuneration		
- as auditor	15,915	15,135
- for other services	2,500	2,500
Operating lease costs		
- Plant and equipment	111,150	100,870
- Other	238,100	238,100
Net loss on foreign currency translation	<u>40,844</u>	<u>57,270</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	257,434	331,044
Value of company pension contributions to money purchase schemes	20,113	25,648
	<u>277,547</u>	<u>356,692</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	<u>3</u>	<u>4</u>

6. Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowing	12,804	4,063
Finance charges	12,972	19,326
	<u>25,776</u>	<u>23,389</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 26% (2011 - 28%)	-	61,493
Over/under provision in prior year	(169,257)	-
Total current tax	<u>(169,257)</u>	<u>61,493</u>
Deferred tax		
Origination and reversal of timing differences	(45,703)	2,149
Tax on (loss)/profit on ordinary activities	<u>(214,960)</u>	<u>63,642</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

7 Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	<u>(261,733)</u>	<u>226,414</u>
(Loss)/profit on ordinary activities by rate of tax	(68,051)	63,396
Income not taxable for tax purposes	-	(6,235)
Expenditure not deductible for tax purposes	901	999
Enhanced relief for research and development	(91,000)	-
Capital allowances exceeded by depreciation	29,917	3,333
Adjustment in respect of prior periods	(169,257)	-
Losses carried forward	<u>128,233</u>	-
Total current tax (note 7(a))	<u>(169,257)</u>	<u>61,493</u>

8 Pensions

During the year contributions of £123,931 (2011 £138,678) were made to defined contribution pension schemes on behalf of directors and employees

There were outstanding contributions at the balance sheet date of £12,048 (2011 £14,679) There were prepaid contributions at the balance sheet date of £1,660 (2011 £1,428)

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

9 Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2011	2,973,647	262,049	2,339	121,827	3,359,862
Additions	45,551	11,220	–	3,950	60,721
Disposals	(2,350)	–	(2,339)	–	(4,689)
At 31 March 2012	3,016,848	273,269	–	125,777	3,415,894
Depreciation					
At 1 April 2011	1,625,783	175,297	2,339	102,172	1,905,591
Charge for the year	303,076	20,678	–	14,976	338,730
On disposals	(1,928)	–	(2,339)	–	(4,267)
At 31 March 2012	1,926,931	195,975	–	117,148	2,240,054
Net book value					
At 31 March 2012	1,089,917	77,294	–	8,629	1,175,840
At 31 March 2011	1,347,864	86,752	–	19,655	1,454,271

Hire purchase agreements

Included within the net book value of £1,175,840 is £767,847 (2011 - £910,437) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £142,590 (2011 - £142,590)

10 Investments

	Total £
Cost	
At 1 April 2011	261,842
Additions	25,088
At 31 March 2012	286,930
Net book value	
At 31 March 2012	286,930
At 31 March 2011	261,842

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

10. Investments (continued)

The company entered into a 50/50 joint venture agreement in a company called VIP-Polymers Pte Limited during 2006. The joint venture company ("JV") is incorporated in the Republic of Singapore and manufactures rubber products, the accounting period end for the JV is 31 December. Due to the JV being the only material entity with which the company forms a group, the company has taken advantage of the exemption under paragraph 48 of FRS 9. In accordance with this paragraph the additional information consolidation would provide is shown as a note to the individual accounts as opposed to preparing a separate set of consolidated accounts.

Should the JV be consolidated the following amounts would be included in the profit and loss account and balance sheet of the company:

	£	£	£	£	£	£
	Company 31/03/2012	Pro-forma Information Interest in Joint Venture	Total including Joint Venture	Company 31/03/2011	Pro-forma Information Interest in Joint Venture	Total including Joint Venture
Turnover	11,723,892	155,804	11,879,696	13,432,068	130,777	13,562,845
Raw materials and consumables	5,863,188	137,663	6,000,851	6,746,602	111,950	6,858,552
Staff costs	3,191,947	1,924	3,193,871	3,488,700	10,141	3,498,841
Depreciation	335,332	1,643	336,975	309,097	891	309,988
Other operating charges	2,569,382	7,801	2,577,183	2,637,866	9,318	2,647,184
Operating profit	(235,957)	6,773	(229,184)	249,803	(1,523)	248,280
Share of operating profit in JV	6,773			(1,523)		
Total operating profit company and share of joint ventures	(229,184)			248,280		
Interest payable Company	25,776			23,389		
Interest payable JV	342			79		
Profit on ordinary activities before tax	26,118			23,468		
	(255,302)			224,812		
Tax on profit on ordinary activities	(213,157)			63,642	(company only)	
Profit on ordinary activities after tax	(42,145)			161,170		

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

10 Investments (continued)

	£	£	£	£	£	£
	Company 31/03/2012	Interest in Joint Venture	Pro-forma Information Total including Joint Venture	Company 31/03/2011	Interest in Joint Venture	Pro-forma Information Total including Joint Venture
Fixed Assets						
Tangible assets	1,175,840	20,624	1,196,464	1,454,271	4,794	1,459,065
Investments in joint venture	286,930	(193,277)	93,653	261,842	(180,734)	81,108
Other investments	–	285,300	285,300	–	266,267	266,267
	1,462,770	112,647	1,575,417	1,716,113	90,327	1,806,440
Current Assets	3,642,158	105,908	3,748,066	4,886,713	55,877	4,942,590
Creditors (due within one year)	2,267,351	51,905	2,319,256	3,470,313	2,813	3,473,126
Net current assets	1,374,807	54,003	1,428,810	1,416,400	53,064	1,469,464
Total assets less current liabilities	2,837,577	166,650	3,004,227	3,132,513	143,391	3,275,904
Creditors (due after more than 1 year)	199,690	122,923	322,613	402,150	109,890	512,040
Provisions for liabilities and charges	106,544	–	106,544	152,247	–	152,247
Net assets	2,531,343	43,727	2,575,070	2,578,116	33,501	2,611,617
Capital and reserves						
Called up equity share capital	100,000	–	100,000	100,000	–	100,000
Profit and loss account	2,431,343	(23,372)	2,407,971	2,478,116	(18,824)	2,459,292
Foreign currency reserve	–	67,099	67,099	–	52,325	52,325
	2,531,343	43,727	2,575,070	2,578,116	33,501	2,611,617

The cost of £286,930 includes £99,625 of share capital and £187,305 of loan capital. The loan capital consists of USD\$256,000 and SGD\$150,000 loans.

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

11 Stocks

	2012 £	2011 £
Raw materials	506,534	773,436
Work in progress	204,538	165,003
Finished goods	646,599	829,613
	<u>1,357,671</u>	<u>1,768,052</u>

The difference between the replacement cost and the purchase cost of stocks is not material

12. Debtors

	2012 £	2011 £
Trade debtors	1,803,483	1,769,330
Corporation tax repayable	11,250	–
Other debtors	67,205	74,428
Prepayments and accrued income	61,509	151,343
	<u>1,943,447</u>	<u>1,995,101</u>

Trade debtors include amounts of £1,690,368 (2011 £1,578,813) which are subject to factoring arrangements

13. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,312,842	2,438,250
Corporation tax	–	7,493
Other taxation and social security	117,203	93,828
Hire purchase agreements	202,460	208,724
Other creditors	214,678	436,674
Accruals and deferred income	420,168	285,344
	<u>2,267,351</u>	<u>3,470,313</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

13. Creditors amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012 £	2011 £
Hire Purchase Agreements	<u>202,460</u>	<u>208,724</u>

14. Creditors amounts falling due after more than one year

	2012 £	2011 £
Hire purchase agreements	<u>199,690</u>	<u>402,150</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012 £	2011 £
Hire purchase agreements	<u>199,690</u>	<u>402,150</u>

15. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2012 £	2011 £
Amounts payable within 1 year	202,460	208,724
Amounts payable between 2 to 5 years	<u>199,690</u>	<u>402,150</u>
	<u>402,150</u>	<u>610,874</u>

16. Deferred taxation

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	152,247	150,098
Profit and loss account movement arising during the year	<u>(45,703)</u>	<u>2,149</u>
Provision carried forward	<u>106,544</u>	<u>152,247</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

16 Deferred taxation (continued)

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	114,387	161,397
Other timing differences	(7,843)	(9,150)
	<u>106,544</u>	<u>152,247</u>

17. Commitments under operating leases

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	28,333	5,512	34,000	2,443
Within 2 to 5 years	–	85,040	–	69,243
Over 5 years	204,100	–	204,100	–
	<u>232,433</u>	<u>90,552</u>	<u>238,100</u>	<u>71,686</u>

18. Related party transactions

The company was under the control of Mr D L Grove the previous year but he passed away on 12 November 2011. The company is now controlled by the David Grove Discretionary Will Trust.

During the year the company received services from GIL Investments Limited for £71,000 (2011 £71,000), a company in which Mr D L Grove, a director, was a majority shareholder. The company also received goods from Total Polyfilm Limited for £6,375 (2011 £7,749), a company in which Mr L R Litwinowicz is a director and shareholder of the parent company.

At 31 March 2012 £7,099 (2011 £9,355), and £1,863 (2011 £nil) were due to GIL Investments Limited and Total Polyfilm Limited respectively. These balances are included within trade creditors.

During the year the company purchased goods from its joint venture partner VIP-Polymers Pte Limited for £51,936 (2011 £92,353), and sold goods totalling £45,456 (2011 £11,110), the company also sold goods totalling £nil (2011 £15,570) to Sinzhong Valves & Fittings (Wuxi) Limited. The director of Sinzhong Valves & Fittings (Wuxi) Limited is a director of VIP-Polymers Pte Limited. At 31 March 2012 £4,175 (2011 £nil) was due to VIP-Polymers Pte Limited.

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

19. Share capital

Authorised share capital:

	2012 £	2011 £
64,800 Ordinary shares of £1 each	64,800	64,800
35,200 "G" Ordinary shares of £1 each	35,200	35,200
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid.

	2012		2011	
	No	£	No	£
64,800 Ordinary shares of £1 each	64,800	64,800	64,800	64,800
35,200 "G" Ordinary shares of £1 each	35,200	35,200	35,200	35,200
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

20. Profit and loss account

	2012 £	2011 £
Balance brought forward	2,478,116	2,315,344
(Loss)/profit for the financial year	(46,773)	162,772
Balance carried forward	<u>2,431,343</u>	<u>2,478,116</u>

21. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
(Loss)/Profit for the financial year	(46,773)	162,772
Opening shareholders' funds	2,578,116	2,415,344
Closing shareholders' funds	<u>2,531,343</u>	<u>2,578,116</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

22 Notes to the cash flow statement

Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2012 £	2011 £
Operating (loss)/profit	(235,957)	249,803
Amortisation	–	(29,098)
Depreciation	338,730	360,462
Profit on disposal of fixed assets	(3,398)	(22,267)
Decrease/(increase) in stocks	410,381	(631,315)
Decrease in debtors	62,904	486,226
Decrease in creditors	(1,189,205)	(71,284)
Net cash (outflow)/inflow from operating activities	<u>(616,545)</u>	<u>342,527</u>

Returns on investments and servicing of finance

	2012 £	2011 £
Interest paid	(12,804)	(4,063)
Interest element of hire purchase	(12,972)	(19,326)
Net cash outflow from returns on investments and servicing of finance	<u>(25,776)</u>	<u>(23,389)</u>

Taxation

	2012 £	2011 £
Taxation	<u>150,514</u>	<u>(128,465)</u>

Capital expenditure and financial investment

	2012 £	2011 £
Payments to acquire tangible fixed assets	(60,721)	(25,047)
Receipts from sale of fixed assets	3,820	22,267
Acquisition of fixed asset investments	(25,088)	(3,769)
Net cash outflow for capital expenditure and financial investment	<u>(81,989)</u>	<u>(6,549)</u>

VIP-Polymers Limited

Notes to the Financial Statements

Year ended 31 March 2012

22 Notes to the cash flow statement (continued)

Financing

	2012 £	2011 £
Capital element of hire purchase	(208,724)	(307,191)
Net cash outflow from financing	<u>(208,724)</u>	<u>(307,191)</u>

Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
Decrease in cash in the period	(782,520)	(123,067)
Cash outflow in respect of hire purchase	<u>208,724</u>	307,191
Change in net debt resulting from cash flows	(573,796)	184,124
New finance leases	—	(231,850)
Movement in net debt in the period	<u>(573,796)</u>	<u>(47,726)</u>
Net funds at 1 April 2011	512,686	560,412
Net debt at 31 March 2012	<u>£(61,110)</u>	<u>£512,686</u>

Analysis of changes in net debt

	At 1 Apr 2011 £	Cash flows £	At 31 Mar 2012 £
Net cash			
Cash in hand and at bank	<u>1,123,560</u>	<u>(782,520)</u>	<u>341,040</u>
Debt			
Hire purchase agreements	<u>(610,874)</u>	<u>208,724</u>	<u>(402,150)</u>
Net debt	<u>£512,686</u>	<u>£(573,796)</u>	<u>£(61,110)</u>