

**GENERAL ALL PURPOSE PLASTICS  
GROUP LIMITED**

**Annual Report and Consolidated Financial  
Statements**

**For the year ended 31 May 2015**

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# **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2015**

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# **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

A D Greensmith  
S D Bird  
S M T Brayshaw

### **REGISTERED NUMBER**

05635001

### **REGISTERED OFFICE**

Partnership Way  
Shadsworth Business Park  
Blackburn  
Lancashire  
BB1 2QP

### **BANKERS**

Barclays Bank plc  
8/14 Darwen Street  
5 Fleming Square  
Blackburn  
BB2 2BZ

### **SOLICITORS**

Zatman & Co.  
1 The Cottages  
Deva Centre  
Trinity Way  
Manchester  
M3 7BE

### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Hardman Street  
Manchester  
M60 2AT  
United Kingdom

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## STRATEGIC REPORT

The directors present their strategic report on the group and company for the year ended 31 May 2015.

### PRINCIPAL ACTIVITIES

The company operates as the group's holding company and has not traded during either year. The principal activity of the group is the distribution and manufacture of PVCu doors, window accessories and building products.

### BUSINESS REVIEW

The year ended 31 May 2015 has seen turnover increase by 13%, this is due to the continued successful implementation of the sales strategy set out by the directors in the prior years.

Continuing efforts to maintain low costs and improve efficiencies in both manufacturing and distribution has resulted in an steady gross margin of 43% and cash flow from operating activities have increased to £5.0m from £1.6m.

The profit for the year, after taxation, amounted to £1,968,914 (2014: £711,151).

The directors are satisfied with the results for the year and consider that both market share and profitability can be increased over the long term, resulting in greater shareholder value. The group will continue to invest further resources into its customer services and support programmes to ensure the growth strategy adopted by the directors can be delivered.

The directors have declared a dividend of £332,883 (2014: £nil) in the year.

### PRINCIPAL RISKS AND UNCERTAINTIES

The group manages its financial risk in five broad categories:

#### *Market conditions*

GAP's products are targeted at individual consumers and businesses. As a result demand is dependent on activity levels in these respective segments, which vary geographically and are subject to the usual drivers of economic activity (i.e. general economic conditions and volatility, interest rates, business/consumer confidence levels, unemployment, construction levels etc.). While these drivers are inherently cyclical, the exposure to the cyclical nature of any market is partially mitigated by the Group's diversification, both geographically and by product.

#### *Competitive pressures*

GAP continually faces competition in each of the markets in which it has a presence. The competitive environment in any one market is a function of a number of factors including the number of competitors, production capacity, the economic/demand characteristics of that market, the ease of imports from third countries and the availability of substitute products.

#### *Customer credit risk*

As part of the overall service package GAP provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances. GAP has established procedures and credit control policies around managing its receivables and takes action where necessary. All major outstanding and overdue balances together with significant potential exposures are reviewed regularly by senior management.

#### *Human Resources*

People and teams and talent management are an integral part of GAP's business and are key to continuing progress at the Group. The Group attracts and retains its people through provision of on-going opportunity for career progress, training initiatives and continually identifying emerging managers and leaders within the group.

#### *Funding and liquidity risks*

To manage the working capital needs of the business and to finance the group's expansion plans, the group is reliant on being able to arrange and maintain sufficient financing and to comply with their conditions once established which are currently being easily met by the group's positive operating cash flows.

#### *Key performance indicators*

The principle key performance indicators ("KPIs") which are monitored by the directors include rate of growth, profitability and cash flow derived from operating activities. These are part of the financial statements.

## GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

### STRATEGIC REPORT (continued)

#### FUTURE DEVELOPMENTS

Further expansion of the business will continue with the opening of new depots in regions and investment in production capacity. The directors have agreed a strategic plan for the business which is updated annually and discussed at regular meetings during the year. The management team have been party to this plan and incentivised to ensure the strategy is executed in a timely manner.

The directors are satisfied at the date of this report with the progress made and that management are in a suitable position to support the proposed growth. The financial performance is considered to be line with the proposed strategy.

Approved by the Board of Directors  
and signed by order of the Board



S M T Brayshaw

Director

*13 November* 2015

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of General All Purpose Plastics Group Limited for the year ended 31 May 2015.

## RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounts to £1,968,914 (2014: £711,151).

The directors have declared a dividend of £332,883 (2014: £nil) in the year.

## DIRECTORS

The directors who served during the year and thereafter were:

A D Greensmith  
S D Bird  
S MT Brayshaw

## GOING CONCERN

After making enquiries, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. See note 1 Accounting Policies for details on the going concern basis of preparation of the financial statements.

## EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

## DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

## AUDITOR

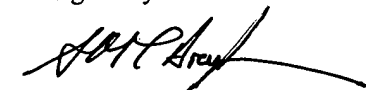
In the case of each of the persons who are directors of the company at the date when the report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as the company and group's auditor during the year.

Approved by the Board of Directors  
and signed by order of the Board



S M T Brayshaw

Director

13 November 2015

## **GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic report, 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL ALL PURPOSE PLASTICS GROUP LIMITED**

We have audited the financial statements of General All Purpose Plastics Group Limited for the year ended 31 May 2015, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and the related notes 1 to 30. 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 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 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 members 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, 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") 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 Group's and the parent 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and of the parent company's affairs as at 31 May 2015 and of the group's 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.

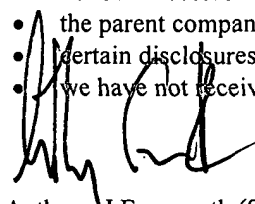
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report, Directors' Report 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

  
Anthony J Farnworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom

18/11/2015



# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 May 2015

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	56,878,475	50,188,968
Cost of sales		(32,410,028)	(28,108,615)
<b>GROSS PROFIT</b>		24,468,447	22,080,353
Administrative expenses		(21,670,175)	(20,654,430)
Other operating income	3	76,632	49,704
<b>OPERATING PROFIT</b>	4	2,874,904	1,475,627
Interest receivable and similar income		6,136	1,236
Interest payable and similar charges	7	(75,011)	(420,833)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,806,029	1,056,030
Tax on profit on ordinary activities	8	(837,115)	(344,879)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	19,20	1,968,914	711,151

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 and 2014 other than those included in the profit and loss account, accordingly no separate consolidated statement of total recognised gain and losses has been presented.

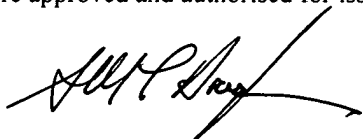
# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED BALANCE SHEET As at 31 May 2015

	Note	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Intangible assets	9		517,408	541,771
Tangible assets	10		7,092,210	5,161,963
			<u>7,609,618</u>	<u>5,703,734</u>
<b>CURRENT ASSETS</b>				
Stocks	12	5,932,366	5,574,939	
Debtors	13	8,561,157	8,139,125	
Cash at bank		134,973	86,084	
		<u>14,628,496</u>	<u>13,800,148</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	(14,005,660)	(12,766,390)	
<b>NET CURRENT ASSETS</b>			<u>622,836</u>	<u>1,033,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,232,454	6,737,492
<b>CREDITORS: amounts falling due after more than one year</b>	15	(46,586)	(164,175)	
<b>PROVISIONS FOR LIABILITIES</b>				
Provisions	17		(786,819)	(810,343)
<b>NET ASSETS</b>			<u>7,399,049</u>	<u>5,762,974</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		4,628,125	4,628,081
Profit and loss account	19		2,770,924	1,134,893
<b>SHAREHOLDERS' FUNDS</b>	20		<u>7,399,049</u>	<u>5,762,974</u>

The notes on pages 11 to 26 form part of these financial statements.

The financial statements of General All Purpose Plastics Group Limited, registered number 05635001, were approved and authorised for issue by the members and were signed on their behalf by:



S M T Brayshaw  
Director

Date: 13 November 2015

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## COMPANY BALANCE SHEET

As at 31 May 2015

	Note	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Investments	11		<u>3,702,983</u>	<u>3,702,983</u>
<b>CURRENT ASSETS</b>				
Debtors	13	925,142		1,000,098
<b>CREDITORS: amounts falling due within one year</b>	14	<u>-</u>	<u>(75,000)</u>	
<b>NET CURRENT ASSETS</b>			<u>925,142</u>	<u>925,098</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,628,125</u>	<u>4,628,081</u>
<b>NET ASSETS</b>			<u>4,628,125</u>	<u>4,628,081</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		<u>4,628,125</u>	<u>4,628,081</u>
<b>SHAREHOLDERS' FUNDS</b>	20		<u>4,628,125</u>	<u>4,628,081</u>

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S M T Brayshaw  
Director

Date: 13 November 2015

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## CONSOLIDATED CASH FLOW STATEMENT As at 31 May 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	5,040,915	1,565,561
Returns on investments and servicing of finance	22	(68,875)	(60,597)
Taxation paid		(934,468)	-
Capital expenditure and financial investment	22	(2,791,939)	(1,188,825)
Acquisitions and disposals	22	(177,500)	(295,575)
Equity dividends paid		(268,011)	-
<b>Cash inflow before financing</b>		<b>800,122</b>	<b>20,564</b>
Financing	22	(394,300)	(336,323)
<b>Increase/(decrease) in cash in the year</b>		<b>405,822</b>	<b>(315,759)</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT For the year ended 31 May 2015

	2015 £	2014 £
Increase/(decrease) in cash in the year	405,822	(315,759)
Cash inflow from changes in net debt	394,300	336,323
<b>Changes in net debt resulting from cash flows</b>	<b>800,122</b>	<b>20,564</b>
New finance leases	(645,806)	(32,900)
<b>Movement in net debt in the year</b>	<b>154,316</b>	<b>(12,336)</b>
Net debt at 1 June	(433,251)	(420,915)
<b>Net debt at 31 May</b>	<b>(278,935)</b>	<b>(433,251)</b>

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

**Year ended 31 May 2015**

## 1. ACCOUNTING POLICIES

### Basis of preparation of financial statements

The principal accounting policies are described below. They have all been applied consistently throughout the current and preceding year. The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting policies.

### Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 May 2015. Profits or losses on intra-group transactions are eliminated in full.

The profit dealt with in the financial statements of the parent company was £332,883 (2014: £nil). As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

### Going concern

The current economic conditions create uncertainty; however the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its cash reserves, overdraft and loan facilities and internally generated working capital.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## Turnover

Turnover is the revenue arising from the sale of goods and is stated at the fair value of the consideration receivable, net of Value Added Tax, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

## Goodwill

Purchased goodwill is capitalised and is amortised on a straight line basis over its estimated useful economic life.

### Consolidated goodwill and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	5 years straight line
----------	-----------------------

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated, to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Leasehold improvements	-	over the term of the lease
Plant and machinery	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 May 2015**

**1. ACCOUNTING POLICIES (continued)**

**Stocks**

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Raw materials - purchase cost on a first-in, first-out basis.

Goods purchased for resale/finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

**Taxation**

Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

**Pension costs**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

**Finance leases**

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Operating leases**

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.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Debt issue costs are offset against the debt and amortised over the term of the loan.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 May 2015**

**1. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

**Provision for liabilities**

Provisions (other than provisions for post-retirement benefits and deferred taxation) are recognised when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions for the estimated cost of repairing or replacing products which may be returned under warranty are based upon historical warranty data and are recognised when the underlying products are sold.

**Investments**

Investments are stated at cost less any provision for impairment.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

**2. TURNOVER**

The turnover and profit on ordinary activities before taxation is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

	2015 £	2014 £
United Kingdom	56,878,475	50,188,968

**3. OTHER OPERATING INCOME**

	2015 £	2014 £
Other operating income	76,632	49,704

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 May 2015

### 4. OPERATING PROFIT

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

	2015 £	2014 £
Amortisation of goodwill	159,758	121,623
Depreciation of tangible fixed assets:		
- owned by the group	1,388,359	1,195,242
- held under finance leases	118,185	187,342
Auditor's remuneration – taxation and advisory services	-	56,165
Auditor's remuneration – audit of the group and company's subsidiaries	37,800	37,720
Operating lease rentals:		
- land and buildings	1,459,891	1,298,648
Loss on foreign exchange translation	10,530	10,135
Loss on disposal of tangible fixed assets	954	60,550
	<u>13,742,554</u>	<u>11,672,678</u>

### 5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	12,118,040	10,365,743
Social security costs	1,138,969	1,187,775
Other pension costs	485,545	119,160
	<u>13,742,554</u>	<u>11,672,678</u>

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

	2015 Number	2014 Number
Administrative	114	91
Production, selling and distribution	385	348
	<u>499</u>	<u>439</u>

### 6. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	565,912	555,175
Company pension contributions to defined contribution pension schemes	6,600	12,100

During the year retirement benefits were accruing to 2 directors (2014: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £232,753 (2014: £200,602).



# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest payable on bank borrowings	3,591	18,291
Finance charges payable under finance leases	8,419	1,555
Other interest payable	63,001	41,987
Interest on overdue taxation	-	359,000
	<u>75,011</u>	<u>420,833</u>

### 8. TAXATION

	2015	2014
	£	£
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	765,174	381,956
<b>Deferred tax</b>		
Origination and reversal of timing differences	71,941	(31,283)
Adjustments in respect of prior periods	-	(5,794)
	<u>71,941</u>	<u>(37,077)</u>
<b>Total deferred tax (see note 16)</b>		
	<u>71,941</u>	<u>(37,077)</u>
Tax on profit on ordinary activities	<u>837,115</u>	<u>344,879</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 20.83% (2014: 22.67%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>2,806,029</u>	<u>1,056,030</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.83% (2014: 22.67%)	584,496	239,402
<b>Effects of:</b>		
Expenses not deductible for tax purposes	222,027	192,508
Net differences between depreciation and capital allowances	(79,578)	(52,107)
Utilisation of tax losses	-	(233,201)
Other fixed asset differences	-	157,750
Other short term timing differences	7,637	229,919
Non-taxable income	30,592	-
Adjustment to losses	-	(152,315)
	<u>765,174</u>	<u>381,956</u>
<b>Current tax charge for the year (see note above)</b>		
	<u>765,174</u>	<u>381,956</u>

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 May 2015

### 9. INTANGIBLE FIXED ASSETS

	Purchased Goodwill £
<b>Group</b>	
<b>Cost</b>	
At 1 June 2014	663,394
Additions	135,394
	<u>798,788</u>
At 31 May 2015	<u>798,788</u>
<b>Amortisation</b>	
At 1 June 2014	121,623
Charge for the year	159,758
	<u>281,380</u>
At 31 May 2015	<u>281,380</u>
<b>Net book value</b>	
At 31 May 2015	<u>517,408</u>
At 31 May 2014	<u>541,771</u>

### 10. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
<b>Cost</b>						
At 1 June 2014	1,049,580	1,446,371	7,049,155	1,821,434	1,400,856	841,969
Additions	-	237,793	2,271,414	789,826	119,572	39,744
Disposals	-	(870)	(150,764)	(169,692)	(4,135)	-
	<u>1,049,580</u>	<u>1,683,294</u>	<u>9,169,805</u>	<u>2,441,568</u>	<u>1,516,293</u>	<u>881,713</u>
At 31 May 2015	<u>1,049,580</u>	<u>1,683,294</u>	<u>9,169,805</u>	<u>2,441,568</u>	<u>1,516,293</u>	<u>881,713</u>
<b>Depreciation</b>						
At 1 June 2014	48,981	705,570	4,652,480	1,322,335	1,035,351	682,685
Charges for the year	20,992	139,024	782,740	361,677	116,541	85,571
On disposals	-	(870)	(133,877)	(168,065)	(1,092)	-
	<u>69,973</u>	<u>843,724</u>	<u>5,301,343</u>	<u>1,515,947</u>	<u>1,150,800</u>	<u>768,256</u>
At 31 May 2015	<u>69,973</u>	<u>843,724</u>	<u>5,301,343</u>	<u>1,515,947</u>	<u>1,150,800</u>	<u>768,256</u>
<b>Net book value</b>						
At 31 May 2015	<u>979,607</u>	<u>839,570</u>	<u>3,868,462</u>	<u>925,621</u>	<u>365,493</u>	<u>113,457</u>
At 31 May 2014	<u>1,000,599</u>	<u>740,801</u>	<u>2,396,675</u>	<u>499,099</u>	<u>365,505</u>	<u>159,284</u>

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 May 2015

### 10. TANGIBLE FIXED ASSETS (continued)

	<b>Total £</b>
<b>Cost</b>	
At 1 June 2014	13,609,365
Additions	3,458,349
Disposals	(325,461)
<b>At 31 May 2015</b>	<u>16,742,253</u>
<b>Depreciation</b>	
At 1 June 2014	8,447,402
Charges for the year	1,506,544
On disposals	(303,904)
<b>At 31 May 2015</b>	<u>9,650,043</u>
<b>Net book value</b>	
At 31 May 2015	<u>7,092,210</u>
At 31 May 2014	<u>5,161,963</u>

Included within the net book value of £7,092,210 is £564,696 (2014: £449,587) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £118,185 (2014: £187,342).

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 11. FIXED ASSET INVESTMENT

	Shares in group undertakings £
<b>Company</b>	
<b>Cost and net book value</b>	
At 1 June 2014 and 31 May 2015	3,702,983
<b>Net book value</b>	
At 31 May 2015	3,702,983
At 31 May 2014	3,702,983

The company has the following subsidiary undertakings as at 31 May 2015:

	Class of share capital held	Proportion held by parent company %	Proportion held by group %	Nature of business
General All Purpose	"A" Ordinary	100	100	Holding company
Plastics Holdings Limited	"B" Ordinary	100	100	
G.A.P Scotland Limited	"A" Ordinary	100	100	Dormant
	"B" Ordinary	100	100	
	"C" Ordinary	100	100	
General All Purpose Plastics Limited				Distribution of
	Ordinary	-	100	PVCu products
Rockdoor Limited	Ordinary	-	100	Dormant
Proplas Limited	Ordinary	-	100	Dormant
Homeline Building Products Limited	Ordinary	-	100	Dormant
Highline Building Plastics (Gateshead) Limited	Ordinary	-	100	Dormant

### 12. STOCKS

	Group 2015 £	2014 £	Company 2015 £	2014 £
Raw materials	2,583,249	2,439,740	-	-
Goods purchased for resale/finished goods	3,349,117	3,135,199	-	-
	5,932,366	5,574,939	-	-

The directors do not consider there to be a material difference between the year-end stock value and its replacement cost.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 13. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	7,203,719	6,638,114	-	-
Amounts owed by group undertaking	-	-	924,898	999,898
Other debtors	84,023	105,012	244	200
Directors' loan accounts	-	71,947	-	-
Prepayments and accrued income	1,136,397	1,286,975	-	-
Amounts owed by related parties	137,018	-	-	-
Deferred tax asset (see note 16)	-	37,077	-	-
	<u>8,561,157</u>	<u>8,139,125</u>	<u>925,142</u>	<u>1,000,098</u>

### 14. CREDITORS: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank overdraft	39,649	396,582	-	-
Deferred consideration	244,511	135,000	-	-
Amounts due under finance leases	327,675	110,196	-	-
Trade creditors	6,693,774	5,715,116	-	-
Amounts owed to related parties	707,379	591,382	-	-
Corporation tax payable	163,354	332,648	-	-
Other taxation and social security	1,741,011	1,756,782	-	-
Other creditors	482,211	422,302	-	75,000
Accruals and deferred income	3,571,232	3,306,382	-	-
Deferred taxation	34,864	-	-	-
	<u>14,005,660</u>	<u>12,766,390</u>	<u>-</u>	<u>75,000</u>

The bank overdraft is secured by a debenture from group companies giving a fixed and floating charge over the group's assets and a counter indemnity.

Amounts due under finance leases are secured upon the assets to which they relate.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 15. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	46,586	12,558	-	-
Deferred consideration	-	151,617	-	-
	<u>46,586</u>	<u>164,175</u>	<u>-</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Between one and five years	<u>46,586</u>	<u>12,558</u>	<u>-</u>	<u>-</u>

### 16. DEFERRED TAXATION LIABILITY/(ASSETS)

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	(37,077)	-	-	-
Charged/(credited) in the year	<u>71,941</u>	<u>(37,077)</u>	<u>-</u>	<u>-</u>
At end of year	<u>34,864</u>	<u>(37,077)</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	164,209	84,631	-	-
Short term timing differences	<u>(129,345)</u>	<u>(121,708)</u>	<u>-</u>	<u>-</u>
	<u>34,864</u>	<u>(37,077)</u>	<u>-</u>	<u>-</u>

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 17. PROVISIONS

	Warranty provision £	Dilapidations provision £	Total £
<b>Group</b>			
At 1 June 2014	495,585	314,758	810,343
Additions	1,573	-	1,573
Movement during the year	-	(25,097)	(25,097)
At 31 May 2015	<u>497,158</u>	<u>289,661</u>	<u>786,819</u>

#### Warranty provision

A provision of £497,158 (2014: £495,585) has been recognised for expected warranty claims on products sold by the company.

#### Dilapidations provision

A provision of £289,661 (2014: £314,758) has been recognised for anticipated site restoration costs on leased properties.

### 18. SHARE CAPITAL

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
200 "A" Ordinary shares of £1 each	-	200
200 "B" Ordinary shares of £1 each	-	200
20,000 "A" Ordinary shares of £0.01 each	200	-
20,000 "B" Ordinary shares of £0.01 each	200	-
4,444 "C" Ordinary shares of £0.01 each	44	-
4,627,681 Redeemable preference shares of £1 each	<u>4,627,681</u>	<u>4,627,681</u>
	<u>4,628,125</u>	<u>4,628,081</u>

During the year, the share capital allocations were restructured where each A share of £1 was subdivided into 100 ordinary shares of £0.01 and each B share of £1 was subdivided into 100 shares of £0.01. Furthermore 4,444 C ordinary shares of £0.01 were allotted and issued.

The "A", "B" and "C" Ordinary shares carry the respective voting rights to appoint and remove directors and be subject to the restrictions on transfer as provided in the Articles of Association but rank pari passu in all other respects.

The rights attached to the Preference shares are set out below.

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 18. SHARE CAPITAL (continued)

#### Income

The holders of the Preference shares shall not be entitled to receive any preferential dividend.

#### Capital

On a return of assets the assets and retained profits of the company available for distribution amongst the members shall be applied first in paying to each of the holders of Preference shares the total Issue Price of the Preference shares held by them respectively, with any balance paid to the holders of the Ordinary shares in proportion to the number of Ordinary shares held by them respectively.

#### Voting

The holders of the Preference shares shall have no right to receive notice of or to attend and vote at any general meeting of the company or in writing up any resolution of the company.

#### Redemption

The company may at any time redeem the preference shares either in their entirety or in part, subject to giving notice in writing to the members holding the Preference shares, and the company shall pay on each preference share redeemed an amount equal to its Issue Price. In the case of a post redemption, the company shall redeem the same proportion for each member's registered holding of the Preference shares.

### 19. RESERVES

	Profit and loss account £
<b>Group</b>	
At 1 June 2014	1,134,893
Profit for the financial year	1,968,914
Dividends paid	(332,883)
	<hr/>
At 31 May 2015	2,770,924
	<hr/>
	Profit and loss account £
<b>Company</b>	
At 1 June 2014	-
Profit for the year	332,883
Dividends paid	(332,883)
	<hr/>
At 31 May 2015	-
	<hr/>



# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 May 2015

### 20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
<b>Group</b>		
Opening shareholders' funds	5,762,974	5,051,823
Shares issued in the year	44	-
Profit for the financial year	1,968,914	711,151
Dividends paid	(332,883)	-
	<u>7,399,049</u>	<u>5,762,974</u>
	2015 £	2014 £
<b>Company</b>		
Opening shareholders' funds	4,628,081	4,628,081
Shares issued in the year	44	-
Profit for the financial year	332,883	-
Dividends paid	(332,883)	-
	<u>4,628,125</u>	<u>4,628,081</u>

### 21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	2,874,904	1,475,627
Amortisation of intangible fixed assets	159,758	121,623
Depreciation of tangible fixed assets	1,506,544	1,382,584
Loss on disposal of tangible fixed assets	954	60,550
Increase in stocks	(357,427)	(1,201,074)
(Decrease)/increase in provisions	(23,524)	420,674
(Increase)/decrease in debtors	(523,937)	285,850
Increase/(decrease) in creditors	1,403,643	(559,599)
	<u>5,040,915</u>	<u>1,565,561</u>
<b>Net cash inflow from operating activities</b>	<u>5,040,915</u>	<u>1,565,561</u>

### 22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	6,136	1,236
Interest paid	(66,592)	(60,278)
Finance lease interest	(8,419)	(1,555)
	<u>(68,875)</u>	<u>(60,597)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(68,875)</u>	<u>(60,597)</u>

# GENERAL ALL PURPOSE PLASTICS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 May 2015

### 22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(2,812,543)	(1,197,675)
Sale of tangible fixed assets	20,604	8,850
	<u>(2,791,939)</u>	<u>(1,188,825)</u>
	2015 £	2014 £
<b>Acquisitions and disposals</b>		
Acquisition of subsidiaries	<u>(177,500)</u>	<u>(295,575)</u>
	2015 £	2014 £
<b>Financing</b>		
Capital element of finance lease	<u>(394,300)</u>	<u>(336,323)</u>
	<u>(394,300)</u>	<u>(336,323)</u>

### 23. ANALYSIS OF CHANGES IN NET DEBT

	1 June 2014 £	Cash flow £	Other Non-cash Changes £	31 May 2015 £
Cash at bank and in hand	86,084	48,889	-	134,973
Bank overdraft	(396,582)	356,933	-	(39,649)
	<u>(310,498)</u>	<u>405,822</u>	<u>-</u>	<u>95,324</u>
<b>Debt:</b>	(310,498)	405,822	-	95,324
Finance leases	(122,753)	394,298	(645,806)	(374,261)
	<u>(433,251)</u>	<u>800,120</u>	<u>(645,806)</u>	<u>(278,937)</u>
<b>Net debt</b>	<u>(433,251)</u>	<u>800,120</u>	<u>(645,806)</u>	<u>(278,937)</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 May 2015**

**24. PENSIONS**

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The pension charge represents contributions payable by the company to the scheme and amounted to £485,545 (2014: £119,160).

Included within accruals is £54,722 (2014: £17,124) in relation to outstanding contributions.

**25. RELATED PARTY TRANSACTIONS**

The group has taken advantage of the exemptions within Financial Reporting Standard No. 8 'Related Parties' and has not disclosed transactions with group undertakings where the company is a 100% subsidiary as consolidated accounts are prepared.

The company has taken advantage of the exemptions within Financial Reporting Standard No. 8 'Related Parties' and has not disclosed transactions with group undertakings where the company is a 100% subsidiary.

A D Greensmith and S D Bird, directors of the company, are also designated members in Bridgemere Properties LLP. Interest is payable on a loan from Bridgemere Properties LLP amounting to £500,000 at 1% above the base rate. At 31 May 2015 the company owed Bridgemere Properties LLP £258,017 (2014: £227,445). This has been included in amounts owed to related parties.

A D Greensmith is a director of Crown Oil Limited. The company made sales to Crown Oil Limited in the year amounting to £4,567 (2014: £nil) and purchases amounted to £513,462 (2014: £77,693). At 31 May 2015 the company owed Crown Oil Limited £449,362 (2014: £363,764).

A D Greensmith is also a director of Crown Telecom Solutions Limited, during the year the company made purchases from Crown Telecom Solutions Limited amounting to £51,463 (2014: £2,007). At 31 May 2015 the company owed Crown Telecom Solutions Limited £nil (2014: £173).

Loans (to)/from directors are as follows:

	2015 £	2014 £
A D Greensmith	-	-
S D Bird	-	-
S M T Brayshaw	-	(71,947)
	<u>-</u>	<u>(71,947)</u>

The maximum overdrawn balances during the year on the A D Greensmith, S D Bird and S M T Brayshaw directors' loan accounts were £478,771 (2014: £665,591), £331,925 (2014: £288,716) and £160,345 (2014: £71,947) respectively.

During the financial year, directors loans due from AD Greensmith, SD Bird and SMT Brayshaw totalling £861,083 (2014: £1,054,269) were waived by the company, and the corresponding amount has therefore been written off as a bad debt expense.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 May 2015**

**26. CAPITAL COMMITMENTS**

The group and company had no capital commitments at 31 May 2015 or 31 May 2014.

**27. PROFIT FOR THE FINANCIAL YEAR**

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The parent company's profit for the year was £332,883 (2014: £nil).

**28. OPERATING LEASE COMMITMENTS**

At 31 May 2015 the group had annual commitments under non-cancellable operating leases as follows:

	2015 Property £	2014 Property £
Operating leases which expire		
- between one and two years	323,268	656,202
- between two and five years	86,500	100,000
- between two and five years	768,600	360,361
	<u>1,178,368</u>	<u>1,116,563</u>

**29. CONTINGENT LIABILITIES**

The group's overdraft facilities are secured by a cross guarantee supported by debentures from group companies including General All Purpose Plastics Group Limited.

No liability is expected to arise under this guarantee. The maximum liability at 31 May 2015 is £39,649 (2014: £396,582).

The taxation treatment of certain transactions that the company entered into in 2004/05 have been challenged by HM Revenue & Customs and enquiries are ongoing at the date of approval of the financial statements. The directors are defending the treatment adopted by the company and have taken advice which supports the view that the transactions were dealt with appropriately. Any potential liability could not be easily quantified at this stage and the directors do not consider that any material liability exists. No provision has been made in the financial statements in relation to these matters.

During the year General All Purpose Plastics Group Limited has provided a guarantee of £2,000,000 in relation to bank facilities provided to a related entity, Bridgemere Properties LLP.

The group and company have no other contingent liabilities to be disclosed at 31 May 2015 or 31 May 2014.

**30. ULTIMATE CONTROLLING PARTY**

The directors do not consider there to be an ultimate controlling party.