

Company Registration No. 06039291 (England and Wales)

POLYTHENE (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

 **shawgibbs**
accountants & business advisers
Incorporating Pearson Buchholz



POLYTHENE (UK) LIMITED

COMPANY INFORMATION

Directors	Mr J E Woollard Mrs K Woollard Mr J D Mungall
Secretary	Mrs K Woollard
Company number	06039291
Registered office	31c Avenue One Station Lane Witney Oxon OX28 4XZ
Auditor	Shaw Gibbs Limited 264 Banbury Road Oxford OX2 7DY

POLYTHENE (UK) LIMITED

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POLYTHENE (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the year was that of polythene, plastic and packaging supplier.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J E Woollard
Mrs K Woollard
Mr J D Mungall

Auditor

Shaw Gibbs Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

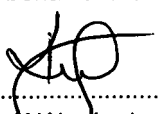
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


.....
Mrs K Woollard

Director
15/8/2019
.....

POLYTHENE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POLYTHENE (UK) LIMITED

Opinion

We have audited the financial statements of Polythene (UK) Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

POLYTHENE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF POLYTHENE (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



Lorna Watson (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs Limited

21/08/19
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Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
OX2 7DY

POLYTHENE (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Turnover	11,441,427	10,447,218
Cost of sales	(9,181,967)	(8,470,025)
Gross profit	2,259,460	1,977,193
Administrative expenses	(1,578,825)	(1,353,087)
Other operating income	25,931	26,350
Operating profit	706,566	650,456
Interest receivable and similar income	9,109	6,461
Interest payable and similar expenses	(82,471)	(72,848)
Increase in fair value of investment property	-	37,000
Profit before taxation	633,204	621,069
Tax on profit	(72,637)	(159,717)
Profit for the financial year	560,567	461,352

POLYTHENE (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	3		591		3,351
Other intangible assets	3		1,625		2,391
Total intangible assets			2,216		5,742
Tangible assets	4		907,960		890,183
Investment properties	5		1,306,550		978,646
			2,216,726		1,874,571
Current assets					
Stocks		443,986		393,026	
Debtors	6	2,550,066		2,496,301	
Cash at bank and in hand		106,485		61,946	
			3,100,537		2,951,273
Creditors: amounts falling due within one year	7		(3,499,868)		(3,520,967)
Net current liabilities			(399,331)		(569,694)
Total assets less current liabilities			1,817,395		1,304,877
Creditors: amounts falling due after more than one year	8		(1,014,223)		(747,822)
Provisions for liabilities			(56,533)		(56,533)
Net assets			746,639		500,522
Capital and reserves					
Called up share capital	9		100		100
Share premium account			9,900		9,900
Revaluation reserve	10		236,174		330,674
Profit and loss reserves			500,465		159,848
Total equity			746,639		500,522

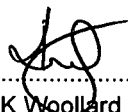
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

POLYTHENE (UK) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 15/08/2019 and are signed on its behalf by:


.....
Mrs K Woollard
Director

Company Registration No. 06039291

POLYTHENE (UK) LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017		100	9,900	297,097	117,073	424,170
Year ended 31 December 2017:						
Profit and total comprehensive income for the year		-	-	-	461,352	461,352
Dividends		-	-	-	(385,000)	(385,000)
Transfers		-	-	33,577	(33,577)	-
Balance at 31 December 2017		100	9,900	330,674	159,848	500,522
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	-	-	560,567	560,567
Dividends		-	-	-	(314,450)	(314,450)
Realised on disposal of investment property		-	-	(94,500)	94,500	-
Balance at 31 December 2018		100	9,900	236,174	500,465	746,639

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Polythene (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 31c Avenue One, Station Lane, Witney, Oxon, OX28 4XZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Intangible fixed assets - goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that assets as follows:

Goodwill - 10 years straight line

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents - 3 years straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or deemed cost, net of depreciation and any impairment losses.

Freehold property and refurbishments	50 & 15 years straight line respectively
Plant and machinery	3 years straight line
Computer equipment	3 years straight line

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Motor vehicles 3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Foreign exchange

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.

1.12 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 29 (2017 - 25).

3 Intangible fixed assets

	Goodwill £	Patents £	Total £
Cost			
At 1 January 2018	112,500	14,920	127,420
Additions	-	1,750	1,750
At 31 December 2018	112,500	16,670	129,170
Amortisation and impairment			
At 1 January 2018	109,148	12,530	121,678
Amortisation charged for the year	2,761	2,515	5,276
At 31 December 2018	111,909	15,045	126,954
Carrying amount			
At 31 December 2018	591	1,625	2,216
At 31 December 2017	3,351	2,391	5,742

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	900,586	322,558	1,223,144
Additions	-	88,625	88,625
Disposals	-	(59,674)	(59,674)
At 31 December 2018	900,586	351,509	1,252,095
Depreciation and impairment			
At 1 January 2018	68,566	264,395	332,961
Depreciation charged in the year	14,808	55,707	70,515
Eliminated in respect of disposals	-	(59,341)	(59,341)
At 31 December 2018	83,374	260,761	344,135
Carrying amount			
At 31 December 2018	817,212	90,748	907,960
At 31 December 2017	832,020	58,163	890,183

The freehold property, having an original cost of £489,250, was revalued by the directors at an open market value of £685,579 as at 31 July 2013 having regard to professional property advice. Subsequent improvements and additions are held at cost.

The company has adopted the transitional provisions under FRS 102 to treat revalued freehold property as deemed cost at the date of transition.

5 Investment property

	2018 £
Fair value	
At 1 January 2018	978,646
Additions	802,904
Disposals	(475,000)
At 31 December 2018	1,306,550

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Investment property (Continued)

The original cost of an investment property was £466,646, it has been subsequently revalued by the directors to £503,646 as at 31 December 2017.

During the year an investment property with a carrying value of £475,000 was sold for net processed of £499,007

An additional investment property was purchased during the year for £785,747, further development costs of £17,157 were also incurred.

The fair value of the investment properties have been arrived at on the basis of valuations carried out on 31 December 2018 by the directors. The valuations were made on an open market value basis by reference to market evidence of transaction prices, both capital and rental, for similar properties.

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	2,008,164	2,076,206
Other debtors	541,902	420,095
	<u>2,550,066</u>	<u>2,496,301</u>

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	100,770	69,915
Trade creditors	1,656,587	1,495,681
Corporation tax	72,181	107,289
Other taxation and social security	158,214	171,075
Other creditors	1,512,116	1,677,007
	<u>3,499,868</u>	<u>3,520,967</u>

Bank borrowings with National Westminster Bank PLC are secured by fixed charges on the freehold and investment properties and floating charges over the other assets held by the company.

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans	<u>1,014,223</u>	<u>747,822</u>

Bank borrowings with National Westminster Bank PLC are secured by fixed charges on the freehold and investment properties and floating charges over the other assets held by the company.

Amounts included above which fall due after five years are as follows:

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Creditors: amounts falling due after more than one year (Continued)

Payable by instalments	613,444	480,881
	<u> </u>	<u> </u>

9 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
60 Ordinary A share of £1 each	60	-
30 Ordinary B share of £1 each	30	-
100 Ordinary shares of £1 each	-	100
10 Ordinary C shares of £1 each	10	-
	<u> </u>	<u> </u>
	100	100
	<u> </u>	<u> </u>

On the 28 September 2018, all of the Ordinary shares were converted into 60 Ordinary A shares, 30 Ordinary B shares and 10 Ordinary C shares.

10 Revaluation reserve

	2018 £	2017 £
At beginning of year	330,674	297,097
Other movements	(94,500)	33,577
	<u> </u>	<u> </u>
At 31 December 2018 and 2017	236,174	330,674
	<u> </u>	<u> </u>

POLYTHENE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

11 Related party transactions

During the year a Director and a close relative to the Director paid rent of £14,700 (2017: £26,350) to the company. The transactions were made at arms length and are in accordance with the open market value.

The director Mr J Woollard has personally guaranteed £50,000 as security for the bank overdraft.

Transactions with directors:

As at the year end, the directors had an overdrawn loan account of £452,955 (2017: £333,900). Interest of £9,109 (2017: £6,461) was charged on the loan during the year.