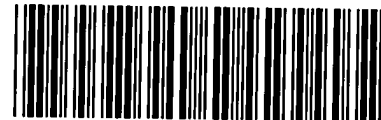


Company Registration No. 01365374 (England and Wales)

ACCUMA PLASTICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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ACCUMA PLASTICS LIMITED

COMPANY INFORMATION

Directors	D Hector P Invernizzi
Company number	01365374
Registered office	Unit 26, Princewood Road Earlstree Industrial Estate Corby Northants NN17 4AP
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
Bankers	National Westminster Bank Plc 25 Corporation Street Corby Northamptonshire NN17 1NR Banca Intesa S.p.A Via Cavalotti Milan Italy

ACCUMA PLASTICS LIMITED

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ACCUMA PLASTICS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The directors are pleased with the results for the year following a pick up in the sector. Gross profit margins weakened in both the UK and China; in the UK this was due to the continued weakening of Sterling following Brexit in June 2016, increasing raw material costs in the UK. Margins were also weakened in China as cost of materials also increased there as the RMB weakened against Sterling and other currencies.

Last year the group's Chinese operations moved to a new larger site in Nantong. Revenues have grown whilst there have been a conscious effort to manage costs locally.

Principal risks and uncertainties

The principal risks facing the group can be broadly grouped as competitive and financial.

Competitive risks

The main competitive risk arises from changing customer requirements based on market demand. The group continues to invest in providing quality products and by working in partnership with customers in developing new products to satisfy their current and future needs.

Financial risks

The group's main financial instruments comprise bank balances and various items such as trade debtors and creditors. The main purpose of these instruments is to provide finance for the group's operations.

There are limited risks arising to the group as a result of these instruments and the directors agree policies for the management of these risks which are summarised below. The policies have remained unchanged from the previous year.

a) Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. Amounts outstanding from individual customers are regularly monitored and appropriate actions taken when customers are in breach of payment terms.

b) Liquidity risk

The working capital requirements of the group are closely monitored by the directors. Cash flow forecasts are regularly prepared and updated and the group undertakes regular dialogue with its banks. Both of the measures help alert the directors to any future risks and ensure that there are sufficient funds available for operations.

c) Price risk

The group is exposed to commodity price risk however given the size of the group's operations, the cost of managing the exposure exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Key performance indicators

The directors consider that turnover, gross margin and operating results are the most reliable and important indicators for measuring the group's performance. The directors are therefore pleased that turnover grew this year from £14,110,106 to £15,902,883. Margins however were affected by the strengthening of the euro against sterling and the resulting increase in raw material costs and fell from 33.4% to 28.7%.

Operating profits for the group increased from £1,054,540 to £1,253,718 as a result of cost savings in both UK and China. The outcome of a warranty claim received in the UK last year is further explained in note 18.

ACCUMA PLASTICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Other information and explanations

The group continues to work closely with its key customers to ensure it is able to maintain its commitment to meeting their expectations regarding quality, volumes and price.

On behalf of the board

P. Invernizzi

Director

22 July 2018.

ACCUMA PLASTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the group continued to be that of manufacture and sale of components for the battery industry.

Directors

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

D Hector
P Invernizzi

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors' insurance

The group maintains insurance policies on behalf of all directors against liability arising from negligence, breach of duty and breach of trust in relation to the group.

Future developments

The group envisages some impact in the medium term as a result of Brexit due to the significant amount of trade it does with customers in the EU.

The immediate impact of Brexit on currency has made raw material costs more expensive but has made group goods more attractive to customers in the EU. With a key contract transacted in Euro the group has been in a position to cover some of the increase in raw material costs through a natural hedge.

Auditor

In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board


P Invernizzi

Director

Date: 28 June 2018.

ACCUMA PLASTICS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 group and company, 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 judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACCUMA PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACCUMA PLASTICS LIMITED

Opinion

We have audited the financial statements of Accuma Plastics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows 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 group's and the parent company's affairs as at 31 December 2017 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 group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

ACCUMA PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ACCUMA PLASTICS LIMITED

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 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.

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 group's and the parent 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 group or the parent 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.

ACCUMA PLASTICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ACCUMA PLASTICS LIMITED

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.

Mercer & Hole

Andrew Lawes MA MSc FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

Chartered Accountants
Statutory Auditor

2 July 2018

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

ACCUMA PLASTICS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	15,902,883	14,110,106
Cost of sales		(11,336,974)	(9,398,425)
Gross profit		4,565,909	4,711,681
Administrative expenses		(3,317,935)	(3,657,141)
Other operating income	3	5,744	-
Operating profit	4	1,253,718	1,054,540
Interest receivable and similar income	8	3,939	1,759
Profit before taxation		1,257,657	1,056,299
Tax on profit	9	(327,242)	(284,003)
Profit for the financial year	22	930,415	772,296

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

ACCUMA PLASTICS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Profit for the year	930,415	772,296
	<hr/>	<hr/>
Other comprehensive income		
Currency translation differences	(106,158)	581,519
Tax relating to other comprehensive income	126,726	22,418
	<hr/>	<hr/>
Other comprehensive income for the year	20,568	603,937
	<hr/>	<hr/>
Total comprehensive income for the year	950,983	1,376,233
	<hr/>	<hr/>

Total comprehensive income for the year is all attributable to the owners of the parent company.

ACCUMA PLASTICS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	10		681		1,397
Tangible assets	11		6,761,710		6,511,381
			<u>6,762,391</u>		<u>6,512,778</u>
Current assets					
Stocks	15	3,220,604		2,803,229	
Debtors	16	4,771,810		4,807,695	
Cash at bank and in hand		5,246,241		6,118,723	
		<u>13,238,655</u>		<u>13,729,647</u>	
Creditors: amounts falling due within one year	17	<u>(3,404,457)</u>		<u>(3,598,078)</u>	
Net current assets			<u>9,834,198</u>		<u>10,131,569</u>
Total assets less current liabilities			<u>16,596,589</u>		<u>16,644,347</u>
Provisions for liabilities	18		<u>(87,541)</u>		<u>(1,086,282)</u>
Net assets			<u><u>16,509,048</u></u>		<u><u>15,558,065</u></u>
Capital and reserves					
Called up share capital	21		89,161		89,161
Revaluation reserve	22		1,462,430		1,348,636
Currency translation reserves	22		1,011,695		1,117,853
Capital redemption reserve	22		69,348		69,348
Profit and loss reserves	22		13,876,414		12,933,067
Total equity			<u><u>16,509,048</u></u>		<u><u>15,558,065</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 June 2018 and are signed on its behalf by:

P Invernizzi
Director

ACCUMA PLASTICS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	3,411,718		3,076,463	
Investments	12	4,785,911		4,785,911	
		<u>8,197,629</u>		<u>7,862,374</u>	
Current assets					
Stocks	15	2,595,704		2,115,373	
Debtors	16	4,140,043		3,873,408	
Cash at bank and in hand		4,688,663		5,486,192	
		<u>11,424,410</u>		<u>11,474,973</u>	
Creditors: amounts falling due within one year	17	(2,728,096)		(2,853,775)	
Net current assets		<u>8,696,314</u>		<u>8,621,198</u>	
Total assets less current liabilities		<u>16,893,943</u>		<u>16,483,572</u>	
Provisions for liabilities	18	(87,541)		(1,086,282)	
Net assets		<u><u>16,806,402</u></u>		<u><u>15,397,290</u></u>	
Capital and reserves					
Called up share capital	21	89,161		89,161	
Revaluation reserve	22	1,462,430		1,348,636	
Capital redemption reserve	22	69,348		69,348	
Profit and loss reserves	22	15,185,463		13,890,145	
Total equity		<u><u>16,806,402</u></u>		<u><u>15,397,290</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,282,386 (2016 - £1,125,642 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 June 2018 and are signed on its behalf by:


F. Invernizzi
Director

Company Registration No. 01365374

ACCUMA PLASTICS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Revaluation reserve	Capital redemption reserve	Currency translation reserve	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 January 2016	89,161	1,339,150	69,348	536,334	12,147,839	14,181,832
Year ended 31 December 2016:						
Profit for the year	-	-	-	-	772,296	772,296
Other comprehensive income:						
Currency translation differences	-	-	-	581,519	-	581,519
Tax relating to other comprehensive income	-	22,418	-	-	-	22,418
Total comprehensive income for the year	-	22,418	-	581,519	772,296	1,376,233
Transfers	-	(12,932)	-	-	12,932	-
Balance at 31 December 2016	89,161	1,348,636	69,348	1,117,853	12,933,067	15,558,065
Year ended 31 December 2017:						
Profit for the year	-	-	-	-	930,415	930,415
Other comprehensive income:						
Currency translation differences on overseas subsidiaries	-	-	-	(106,158)	-	(106,158)
Tax relating to other comprehensive income	-	126,726	-	-	-	126,726
Total comprehensive income for the year	-	126,726	-	(106,158)	930,415	950,983
Transfers	-	(12,932)	-	-	12,932	-
Balance at 31 December 2017	89,161	1,462,430	69,348	1,011,695	13,876,414	16,509,048

ACCUMA PLASTICS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2016	89,161	1,339,150	69,348	12,751,571	14,249,230
Year ended 31 December 2016:					
Profit for the year	-	-	-	1,125,642	1,125,642
Other comprehensive income:					
Tax relating to other comprehensive income	-	22,418	-	-	22,418
Total comprehensive income for the year	-	22,418	-	1,125,642	1,148,060
Transfers	-	(12,932)	-	12,932	-
Balance at 31 December 2016	89,161	1,348,636	69,348	13,890,145	15,397,290
Year ended 31 December 2017:					
Profit for the year	-	-	-	1,282,386	1,282,386
Other comprehensive income:					
Tax relating to other comprehensive income	-	126,726	-	-	126,726
Total comprehensive income for the year	-	126,726	-	1,282,386	1,409,112
Transfers	-	(12,932)	-	12,932	-
Balance at 31 December 2017	89,161	1,462,430	69,348	15,185,463	16,806,402

ACCUMA PLASTICS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	554,645		1,303,932	
Income taxes paid		(429,999)		(441,042)	
Net cash inflow from operating activities		<u>124,646</u>		<u>862,890</u>	
Investing activities					
Purchase of tangible fixed assets		(1,026,977)		(1,066,187)	
Proceeds on disposal of tangible fixed assets		44,248		881	
Interest received		<u>3,939</u>		<u>1,759</u>	
Net cash used in investing activities		(978,790)		(1,063,547)	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		(854,144)		(200,657)	
Cash and cash equivalents at beginning of year		6,118,723		6,121,832	
Effect of foreign exchange rates		(18,338)		197,548	
Cash and cash equivalents at end of year		<u>5,246,241</u>		<u>6,118,723</u>	

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Accuma Plastics Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Unit 26, Princewood Road, Earlstree Industrial Estate, Corby, Northants, NN17 4AP. The company registration number is 01365374.

The group consists of Accuma Plastics Limited and all of its subsidiaries.

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.

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 on the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

The consolidated financial statements incorporate those of Accuma Plastics Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

1.4 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 cost or value of the asset can be measured reliably.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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	20% straight line
Software Development Costs	20% straight line

1.5 Tangible fixed assets

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

Depreciation 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:

Freehold land and buildings	2-3% Straight line
Leasehold & improvements	Over the term of lease
Plant and machinery	14-33% Straight line
Fixtures, fittings & equipment	20% Straight line
Motor vehicles	20% Straight line

Freehold land and assets in the course of construction are not depreciated.

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 recognised in the profit and loss account.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

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.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 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 group'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 if, and only if, there is 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.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The results of the group's overseas subsidiary are translated at an average rate of exchange with its assets and liabilities being translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising as a result of the retranslation of the overseas subsidiary's opening net assets and result for the year is taken directly to reserves.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Sale of goods	15,902,883	14,110,106
	<u> </u>	<u> </u>
	2017 £	2016 £
Other significant revenue		
Interest income	3,939	1,759
Grants received	5,744	-
	<u> </u>	<u> </u>
	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	6,340,886	5,635,213
Rest of world	9,561,997	8,474,893
	<u> </u>	<u> </u>
	15,902,883	14,110,106
	<u> </u>	<u> </u>

4 Operating profit

	Note	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):			
Exchange gains		(71,789)	(350,114)
Government grants		(5,744)	-
Depreciation of owned tangible fixed assets		550,856	454,688
Loss on disposal of tangible fixed assets		93,759	17,246
Warranty provision - exceptional item	18	(206,461)	772,367
Amortisation of intangible assets		681	699
Cost of stocks recognised as an expense		11,056,191	9,069,223
		<u> </u>	<u> </u>

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,000	15,000
For other services		
Taxation compliance services	3,292	4,557
All other non-audit services	3,453	3,114
	<u>6,745</u>	<u>7,671</u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Direct Labour	65	63	29	27
Administration	9	9	9	9
	<u>74</u>	<u>72</u>	<u>38</u>	<u>36</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	1,514,161	1,377,101	1,215,671	1,032,202
Social security costs	149,888	178,767	87,999	85,675
Pension costs	7,166	6,474	7,166	6,474
	<u>1,671,215</u>	<u>1,562,342</u>	<u>1,310,836</u>	<u>1,124,351</u>

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>40,000</u>	<u>40,000</u>

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	3,597	1,759
Other interest income	342	-
	<u>3,939</u>	<u>1,759</u>
Total income	<u>3,939</u>	<u>1,759</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,597	1,759
	<u>3,597</u>	<u>1,759</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	311,341	252,923
Adjustments in respect of prior periods	747	-
	<u>312,088</u>	<u>252,923</u>
Total current tax	<u>312,088</u>	<u>252,923</u>
Deferred tax		
Origination and reversal of timing differences	15,154	35,058
Changes in tax rates	-	(3,978)
	<u>15,154</u>	<u>31,080</u>
Total deferred tax	<u>15,154</u>	<u>31,080</u>
Total tax charge for the year	<u>327,242</u>	<u>284,003</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the company's future current tax charge accordingly and reduce the value of the deferred tax liability at 31 December 2017.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	1,257,657	1,056,299
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	242,099	211,260
Adjustments in respect of prior years	747	-
Effect of change in corporation tax rate	(2,410)	(7,825)
Depreciation on assets not qualifying for tax allowances	19,052	9,899
Unutilised foreign tax losses carried forward	67,754	70,669
Taxation charge for the year	327,242	284,003

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on: Revaluation of property	(126,726)	(22,418)

The group's Chinese subsidiary has taxable losses against which future trading profits can be offset of £1,158,000 (2016: £1,095,000). No deferred tax has been recognised on these as there is insufficient evidence to indicate that they will be used in the foreseeable future. Tax losses in China can only be carried forward for a maximum of 5 years. Tax losses of £194,000 relate to 2013 and will be lost if not utilised in 2018.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Intangible fixed assets

Group	Patents	Software Development Costs	Total
	£	£	£
Cost			
At 1 January 2017	3,741	3,493	7,234
Exchange adjustments	(96)	(89)	(185)
	<u>3,645</u>	<u>3,404</u>	<u>7,049</u>
At 31 December 2017	3,645	3,404	7,049
Amortisation and impairment			
At 1 January 2017	3,741	2,096	5,837
Amortisation charged for the year	-	681	681
Exchange adjustments	(96)	(54)	(150)
	<u>3,645</u>	<u>2,723</u>	<u>6,368</u>
At 31 December 2017	3,645	2,723	6,368
Carrying amount			
At 31 December 2017	-	681	681
	<u>-</u>	<u>681</u>	<u>681</u>
At 31 December 2016	-	1,397	1,397
	<u>-</u>	<u>1,397</u>	<u>1,397</u>

The company had no intangible fixed assets at 31 December 2017 or 31 December 2016.

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

Group	Freehold land and buildings	Leasehold & improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2017	2,418,000	2,612,327	16,035,925	21,412	49,006	21,136,670
Additions	-	-	998,977	28,000	-	1,026,977
Disposals	-	-	(138,007)	-	-	(138,007)
Exchange adjustments	-	(66,763)	(101,720)	-	(456)	(168,939)
At 31 December 2017	2,418,000	2,545,564	16,795,175	49,412	48,550	21,856,701
Depreciation and impairment						
At 1 January 2017	296,964	28,526	14,246,419	11,906	41,474	14,625,289
Depreciation charged in the year	49,494	104,623	387,408	6,332	2,999	550,856
Exchange adjustments	-	(729)	(80,014)	-	(411)	(81,154)
At 31 December 2017	346,458	132,420	14,553,813	18,238	44,062	15,094,991
Carrying amount						
At 31 December 2017	2,071,542	2,413,144	2,241,362	31,174	4,488	6,761,710
At 31 December 2016	2,121,036	2,583,801	1,789,506	9,506	7,532	6,511,381
Company						
	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total	
	£	£	£	£	£	
Cost or valuation						
At 1 January 2017	2,418,000	12,055,776	21,412	31,144	14,526,332	
Additions	-	724,173	28,000	-	752,173	
Disposals	-	(138,007)	-	-	(138,007)	
At 31 December 2017	2,418,000	12,641,942	49,412	31,144	15,140,498	
Depreciation and impairment						
At 1 January 2017	296,964	11,115,601	11,906	25,398	11,449,869	
Depreciation charged in the year	49,494	220,086	6,332	2,999	278,911	
At 31 December 2017	346,458	11,335,687	18,238	28,397	11,728,780	
Carrying amount						
At 31 December 2017	2,071,542	1,306,255	31,174	2,747	3,411,718	
At 31 December 2016	2,121,036	940,175	9,506	5,746	3,076,463	

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

(Continued)

Land and buildings includes £549,995 (2016: £549,995) in respect of land which is not depreciated.

Freehold land and buildings comprises of two locations.

Both locations were revalued on 31 December 2015 by independent external valuers who are members of RICS. The basis of the valuation used was open market value.

The directors are of the opinion that as at 31 December 2017 the depreciated net book value of £2,071,542 is a fair reflection of the market value.

If revalued assets were stated on a historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Cost	1,169,918	1,169,918	1,169,918	1,169,918
Accumulated depreciation	(560,806)	(524,244)	(560,806)	(524,244)
Carrying value	<u>609,112</u>	<u>645,674</u>	<u>609,112</u>	<u>645,674</u>

During 2013, the group acquired land use rights for a new site in the Jiangsu province of China. All land is owned by the government. Rights to use land is granted by licence. The group's licence has been granted for 50 years and is being amortised over this period. This has been included within leasehold & improvement costs.

12 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	13	<u>-</u>	<u>-</u>	<u>4,785,911</u>	<u>4,785,911</u>

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 and 31 December 2017	6,085,911
Impairment	
At 1 January 2017 and 31 December 2017	1,300,000
Carrying amount	
At 31 December 2017	4,785,911
At 31 December 2016	4,785,911

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Accuma Plastic Technology 1). (Jiangsu) Co Ltd		Manufacture of battery components	Ordinary	100.00 -

Registered Office address:

1), No.8 Pu Gong Ying Road, Xi Tong High-tech Industrial Park, Nantong, Jiangsu Province, China

14 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,704,172	4,777,935	4,077,017	3,847,937
Equity instruments measured at cost less impairment	-	-	4,785,911	4,785,911
Carrying amount of financial liabilities				
Measured at amortised cost	3,111,350	3,256,811	2,438,257	2,545,269

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

15 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Raw materials and consumables	1,421,309	1,196,274	1,180,041	919,984
Finished goods and goods for resale	1,799,295	1,606,955	1,415,663	1,195,389
	<u>3,220,604</u>	<u>2,803,229</u>	<u>2,595,704</u>	<u>2,115,373</u>

16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	4,582,238	4,599,457	4,010,835	3,745,356
Corporation tax recoverable	37,998	-	37,998	-
Amounts owed by group undertakings	66,182	102,581	66,182	102,581
Other debtors	55,752	75,897	-	-
Prepayments and accrued income	29,640	29,760	25,028	25,471
	<u>4,771,810</u>	<u>4,807,695</u>	<u>4,140,043</u>	<u>3,873,408</u>

17 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	2,936,797	2,998,157	2,309,962	2,330,976
Amounts due to group undertakings	40,042	11,323	40,042	5,579
Corporation tax payable	-	79,913	-	79,913
Other taxation and social security	293,107	261,354	289,839	228,593
Other creditors	42,932	34,978	4,497	1,065
Accruals and deferred income	91,579	212,353	83,756	207,649
	<u>3,404,457</u>	<u>3,598,078</u>	<u>2,728,096</u>	<u>2,853,775</u>

18 Provisions for liabilities

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Warranty claim		5,198	892,367	5,198	892,367
Deferred tax liabilities	19	82,343	193,915	82,343	193,915
		<u>87,541</u>	<u>1,086,282</u>	<u>87,541</u>	<u>1,086,282</u>

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

18 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

	Warranty claim £
Group and company	
At 1 January 2017	892,367
Reversal of provision	(206,461)
Utilisation of provision	(680,708)
At 31 December 2017	<u>5,198</u>

Provision was made in respect of a warranty claim which has been settled in the year.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Group and company		
Accelerated capital allowances	82,343	67,189
Revaluations	-	126,726
	<u>82,343</u>	<u>193,915</u>
	Group 2017 £	Company 2017 £
Movements in the year:		
Liability at 1 January 2017	193,915	193,915
Charge to profit or loss	15,154	15,154
Credit to other comprehensive income	(126,726)	(126,726)
Liability at 31 December 2017	<u>82,343</u>	<u>82,343</u>

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

20 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,166	6,474

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company	
	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
89,161 Ordinary shares of £1 each	89,161	89,161

22 Reserves

Revaluation reserve

This reserve represents increases in the fair value of land and buildings, net of any attributable deferred tax and depreciation. It is not distributable.

Capital redemption reserve

This reserve represents the nominal value of shares repurchased by the company.

Currency translation reserve

This reserve arises on the translation of the group's overseas subsidiary on consolidation.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	265,063	272,499

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

23 Related party transactions

(Continued)

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Group				
Entities with control, joint control or significant influence over the group	221,727	108,723	59,192	26,501
Entities under common control	105,254	84,570	264,301	36,561
	<u>221,727</u>	<u>108,723</u>	<u>59,192</u>	<u>26,501</u>
Company				
Entities with control, joint control or significant influence over the company	221,727	108,723	8,503	6,479
Entities under common control	105,254	84,570	64,363	17,728
	<u>221,727</u>	<u>108,723</u>	<u>64,363</u>	<u>17,728</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017	2016
	£	£
Group		
Entities with control, joint control or significant influence over the group	1,199	6,650
Entities under common control	38,843	4,673
	<u>1,199</u>	<u>4,673</u>
Company		
Entities with control, joint control or significant influence over the company	1,199	5,579
Entities under common control	38,843	-
	<u>1,199</u>	<u>5,579</u>

ACCUMA PLASTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2017 Balance £	2016 Balance £
Group		
Entities with control, joint control or significant influence over the group	46,461	93,456
Entities under common control	19,721	9,125
	<u> </u>	<u> </u>
Company		
Entities with control, joint control or significant influence over the company	46,461	93,456
Entities under common control	19,721	9,125
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24 Controlling party

At 31 December 2017, the company was 53.33% owned by Accuma S.p.A, a company incorporated in Italy.

The ultimate controlling party is F Invernizzi.

The smallest and largest group within which the group's financial statements are consolidated are those of AIES Di Folco Gibellini Senior SAPA. A copy of the consolidated financial statements can be obtained from Via Bartolomeo Eustachi, 46, Cap 20129 Milan, Italy.

25 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	930,415	772,296
Adjustments for:		
Taxation charged	327,242	284,003
Investment income	(3,939)	(1,759)
Loss on disposal of tangible fixed assets	93,759	17,246
Amortisation and impairment of intangible assets	681	699
Depreciation and impairment of tangible fixed assets	550,856	454,689
(Decrease)/increase in provisions	(887,169)	892,367
Movements in working capital:		
(Increase) in stocks	(417,375)	(440,147)
Decrease/(increase) in debtors	73,883	(1,129,799)
(Decrease)/increase in creditors	(113,708)	454,337
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Cash generated from operations	554,645	1,303,932
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