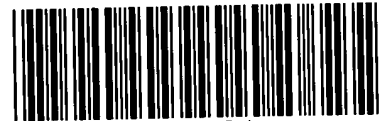


COMPANY REGISTRATION NUMBER: 01365703

Pentagon Plastics Ltd
Unaudited Abridged Financial Statements
31 January 2017

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COMPANIES HOUSE

MANSER HUNOT
Chartered Certified Accountants
Highland House
Albert Drive
Burgess Hill
West Sussex
RH15 9TN

Pentagon Plastics Ltd

Officers and Professional Advisers

The board of directors

Mr J B Edwards
Mr P Edwards

Registered office

Unit 4 Blatchford Road
Horsham
West Sussex
UK
RH13 5QR

Accountants

Manser Hunot
Chartered Certified Accountants
Highland House
Albert Drive
Burgess Hill
West Sussex
RH15 9TN

Bankers

Lloyds Bank Plc
1-3 The Broadway
Crawley
West Sussex
England
RH10 0OU

Pentagon Plastics Ltd

Directors' Report

Year ended 31 January 2017

The directors present their report and the unaudited abridged financial statements of the company for the year ended 31 January 2017.

Directors

The directors who served the company during the year were as follows:

Mr J B Edwards

Mr P Edwards

Small company provisions

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

This report was approved by the board of directors on 24/10/2017 and signed on behalf of the board by:



Mr P Edwards
Director

Pentagon Plastics Ltd
Abridged Statement of Comprehensive Income
Year ended 31 January 2017

	Note	2017 £	2016 £
Gross profit		1,180,374	1,187,502
Administrative expenses		<u>613,464</u>	<u>573,583</u>
Operating profit		566,910	613,919
Income from other fixed asset investments		327	2,802
Other interest receivable and similar income		355	438
Interest payable and similar expenses		<u>11,173</u>	<u>11,587</u>
Profit before taxation	5	556,419	605,572
Tax on profit		<u>3,674</u>	<u>15,509</u>
Profit for the financial year and total comprehensive income		<u>552,745</u>	<u>590,063</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 7 to 13 form part of these abridged financial statements.

Pentagon Plastics Ltd
Abridged Statement of Financial Position
31 January 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	6	7,560	15,120
Tangible assets	7	450,862	442,753
Investments	8	1,312,328	1,323,173
		<u>1,770,750</u>	<u>1,781,046</u>
Current assets			
Stocks		175,559	180,483
Debtors		420,050	450,603
Cash at bank and in hand		844,788	1,071,918
		<u>1,440,397</u>	<u>1,703,004</u>
Creditors: amounts falling due within one year		<u>1,405,792</u>	<u>922,446</u>
Net current assets		<u>34,605</u>	<u>780,558</u>
Total assets less current liabilities		<u>1,805,355</u>	<u>2,561,604</u>
Provisions			
Taxation including deferred tax		62,485	58,811
Net assets		<u>1,742,870</u>	<u>2,502,793</u>

The abridged statement of financial position
continues on the following page.

The notes on pages 7 to 13 form part of these abridged financial statements.

Pentagon Plastics Ltd

Abridged Statement of Financial Position *(continued)*

31 January 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	9	253,833	361,707
Other reserves		146,267	38,393
Profit and loss account		<u>1,342,770</u>	<u>2,102,693</u>
Members funds		<u>1,742,870</u>	<u>2,502,793</u>

These abridged financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its abridged financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of abridged financial statements.

These abridged financial statements were approved by the board of directors and authorised for issue on 24/10/2017, and are signed on behalf of the board by:



Mr P Edwards
Director

Company registration number: 01365703

The notes on pages 7 to 13 form part of these abridged financial statements.

Pentagon Plastics Ltd
Statement of Changes in Equity
Year ended 31 January 2017

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 February 2015	361,707	38,393	1,580,630	1,980,730
Profit for the year	—	—	590,063	590,063
Total comprehensive income for the year	—	—	590,063	590,063
Dividends paid and payable	—	—	(68,000)	(68,000)
Total investments by and distributions to owners	—	—	(68,000)	(68,000)
At 31 January 2016	361,707	38,393	2,102,693	2,502,793
Profit for the year	—	—	552,745	552,745
Total comprehensive income for the year	—	—	552,745	552,745
Dividends paid and payable	—	—	(52,667)	(52,667)
Redemption of shares	(107,874)	107,874	(1,260,001)	(1,260,001)
Total investments by and distributions to owners	(107,874)	107,874	(1,312,668)	(1,312,668)
At 31 January 2017	<u>253,833</u>	<u>146,267</u>	<u>1,342,770</u>	<u>1,742,870</u>

The notes on pages 7 to 13 form part of these abridged financial statements.

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements

Year ended 31 January 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 4 Blatchford Road, Horsham, West Sussex, RH13 5QR, UK.

2. Statement of compliance

These abridged financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The abridged financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The abridged financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 February 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Consolidation

The company has taken advantage of the option not to prepare consolidated abridged financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 January 2017

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

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

Goodwill	- 10% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 January 2017

3. Accounting policies *(continued)*

Depreciation

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

Leasehold Improvements	-	10% reducing balance
Plant & Machinery & F&F	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the abridged statement of financial position and the amount of the provision as an expense.

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 January 2017

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

The company does not operate any pension scheme. By agreement with the directors, the company makes defined contributions to personal pension arrangements chosen by the Directors. The cost of such contributions is charged against profits as they fall due.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 33 (2016: 37).

5. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	7,560	7,560
Depreciation of tangible assets	<u>75,811</u>	<u>57,159</u>

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 January 2017

6. Intangible assets

	£
Cost	
At 1 February 2016 and 31 January 2017	<u>170,933</u>
Amortisation	
At 1 February 2016	155,813
Charge for the year	<u>7,560</u>
At 31 January 2017	<u>163,373</u>
Carrying amount	
At 31 January 2017	<u>7,560</u>
At 31 January 2016	<u>15,120</u>

On 31st January 2003 the company bought all the assets and liabilities of its subsidiary, Small Batch Plastics Ltd (SBP Ltd) and took over its trading activity. The Goodwill had originally been bought by SBP Ltd from a partnership Small Batch Plastics on 29th May 1997, at which time it was considered to have a useful economic life of 10 years. This goodwill has now been fully amortised.

On 1st February 2008, the company bought the goodwill in a company, Jarzon Plastics Ltd, for £75,600 which is being amortised over 10 years.

7. Tangible assets

	£
Cost	
At 1 February 2016	1,108,333
Additions	83,922
Disposals	<u>(35,001)</u>
At 31 January 2017	<u>1,157,254</u>
Depreciation	
At 1 February 2016	665,580
Charge for the year	75,811
Disposals	<u>(34,999)</u>
At 31 January 2017	<u>706,392</u>
Carrying amount	
At 31 January 2017	<u>450,862</u>
At 31 January 2016	<u>442,753</u>

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 January 2017

8. Investments

	£
Cost	
At 1 February 2016	1,323,173
Disposals	<u>(10,845)</u>
At 31 January 2017	<u>1,312,328</u>
Impairment	
At 1 February 2016 and 31 January 2017	<u><u>—</u></u>
Carrying amount	
At 31 January 2017	<u>1,312,328</u>
At 31 January 2016	<u>1,323,173</u>

9. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary "A" shares shares of £1 each	12,695	12,695	120,569	120,569
Ordinary "B" shares shares of £1 each	<u>241,138</u>	<u>241,138</u>	<u>241,138</u>	<u>241,138</u>
	<u>253,833</u>	<u>253,833</u>	<u>361,707</u>	<u>361,707</u>

The number of shares outstanding at the year end date for all other classes of shares is consistent with the prior year.

During the year the company bought back 107,874 ordinary A shares for a price of £12.447 per share.

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2017		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr J B Edwards	<u>—</u>	<u>(500,000)</u>	<u>(500,000)</u>

	2016		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr J B Edwards	<u>—</u>	<u>—</u>	<u>—</u>

Pentagon Plastics Ltd

Notes to the Abridged Financial Statements *(continued)*

Year ended 31 January 2017

11. Related party transactions

The company was under the control of Pentagon Plastics (Holdings) Ltd to which it paid dividends of £20,000. At the year end the company owed the holding company £161,370.

At 31st January 2017 the company owed £400,000 to Small Batch Plastics Ltd, its wholly owned subsidiary.

The company rents its premises from the JJR Executive Pension Scheme. The rent paid in the year was £85,000.

At the year end the company owed the director Mr J. Edwards £500,000.

12. Controlling party

Pentagon Plastics (Holdings) Ltd, a company incorporated in England owns 241,138 Ordinary £1 shares in Pentagon Plastics Ltd. This represents 95% of the issued share capital. Pentagon Plastics (Holdings) Ltd is wholly owned by director P. Edwards.

13. Transition to FRS 102

These are the first abridged financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 February 2015.

No transitional adjustments were required in equity or profit or loss for the year.

Statement of Consent to Prepare Abridged Financial Statements

All of the members of Pentagon Plastics Ltd have consented to the preparation of the abridged statement of comprehensive income and the abridged statement of financial position for the year ending 31 January 2017 in accordance with Section 444(2A) of the Companies Act 2006.