

**JFC PLASTICS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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**CONTENTS OF THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2010**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>7</b>
<b>Notes to the Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>10</b>
<b>Trading and Profit and Loss Account</b>	<b>18</b>

**COMPANY INFORMATION  
for the Year Ended 31 December 2010**

**DIRECTORS:**

J F Concannon  
Mrs P Concannon

**SECRETARY:**

Mrs P Concannon

**REGISTERED OFFICE:**

Unit 6  
Goldicote Business Park  
Banbury Road  
Stratford upon Avon  
Warwickshire  
CV37 7NB

**REGISTERED NUMBER:**

01038712 (England and Wales)

**AUDITORS:**

Cooper Adams Ltd  
Chartered Accountants  
and Statutory Auditors  
12 Payton Street  
Stratford upon Avon  
Warwickshire  
CV37 6UA

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the recycling of plastic for the production of pipe and other plastic products

**REVIEW OF BUSINESS**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and of its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face

The company is engaged in the manufacture, sale and distribution of water carrier pipe produced from recycled material. Our business operates from two locations within the UK, one which specialises in the recycling of post consumer plastics into a plastic compound, while the other produces high quality water carrier and drainage pipe from that recycled material and distributes this to a wide customer base within the UK and overseas

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed

All divisions of the business have shown consolidation during the year. Our recycling business has undergone substantial capital investment in the last four years and is only now beginning to reach its capacity. Sales of our Corriepipe range have continued to grow and the company is pleased with its acceptance and usage within its markets

This year an operating profit of £208,123 was realised compared with an operating loss of £321,877 last year. Gross margins have improved from 20% last year to 24% this year. Significant research and development costs have been incurred during the year, and all of these amounts have been included in the profit and loss account for the year. Results have again been depressed as a result. However, this is a long-term investment by the company in order to secure a quality feedstock for the production process

As for many businesses of our size, the business environment in which we operate continues to be challenging. The plastics market in the UK is highly competitive and margins continue to be tight. Our results are of course also influenced by government spending patterns and the performance of the construction sector in general

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2010

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

J F Concannon  
Mrs P Concannon

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 December 2010**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD.**

Mrs P Concannon - Secretary

*Patricia Concannon*

16 September 2011

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF JFC PLASTICS LIMITED**

We have audited the financial statements of JFC Plastics Limited for the year ended 31 December 2010 on pages five to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

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

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.



David Cooper FCA (Senior Statutory Auditor)  
for and on behalf of Cooper Adams Ltd  
Chartered Accountants  
and Statutory Auditors  
12 Payton Street  
Stratford upon Avon  
Warwickshire  
CV37 6UA

16 September 2011

**PROFIT AND LOSS ACCOUNT**  
**for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
<b>TURNOVER</b>		9,564,026	9,361,514
Cost of sales		7,311,235	7,531,650
<b>GROSS PROFIT</b>		2,252,791	1,829,864
Administrative expenses		2,044,668	2,151,741
<b>OPERATING PROFIT/(LOSS)</b>	3	208,123	(321,877)
Interest receivable and similar income		9,205	5,978
		217,328	(315,899)
Interest payable and similar charges	4	48,744	73,814
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		168,584	(389,713)
Tax on profit/(loss) on ordinary activities	5	1,933	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		166,651	(389,713)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

**BALANCE SHEET**  
**31 December 2010**

	Notes	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		9,316,514		9,867,675
Investments	7		-		-
			<u>9,316,514</u>		<u>9,867,675</u>
<b>CURRENT ASSETS</b>					
Stocks	8	885,225		1,037,228	
Debtors	9	1,425,131		4,683,834	
Cash at bank		2,558,187		1,142,479	
		<u>4,868,543</u>		<u>6,863,541</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	1,939,203		2,223,891	
<b>NET CURRENT ASSETS</b>			<u>2,929,340</u>		<u>4,639,650</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			12,245,854		14,507,325
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		13,442,439		15,870,561
<b>NET LIABILITIES</b>			<u>(1,196,585)</u>		<u>(1,363,236)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000		1,000
Profit and loss account	16		(1,197,585)		(1,364,236)
<b>SHAREHOLDERS' FUNDS</b>	19		<u>(1,196,585)</u>		<u>(1,363,236)</u>

The financial statements were approved by the Board of Directors on 16 September 2011 and were signed on its behalf by



J F Concannon - Director



**CASH FLOW STATEMENT**  
**for the Year Ended 31 December 2010**

	Notes	2010		2009	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		1,960,070		1,272,347
<b>Returns on investments and servicing of finance</b>	2		(39,539)		(67,836)
<b>Capital expenditure</b>	2		(262,615)		(500,274)
			<u>1,657,916</u>		<u>704,237</u>
<b>Financing</b>	2		(242,208)		(446,165)
<b>Increase in cash in the period</b>			<u>1,415,708</u>		<u>258,072</u>

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**Reconciliation of net cash flow to movement in net debt**

	3		
Increase in cash in the period		1,415,708	258,072
Cash outflow from decrease in debt and lease financing		<u>242,208</u>	<u>446,165</u>
Change in net debt resulting from cash flows		<u>1,657,916</u>	<u>704,237</u>
<b>Movement in net debt in the period</b>		<u>1,657,916</u>	<u>704,237</u>
<b>Net debt at 1 January</b>		<u>(1,918,884)</u>	<u>(2,623,121)</u>
<b>Net debt at 31 December</b>		<u>(260,968)</u>	<u>(1,918,884)</u>

**NOTES TO THE CASH FLOW STATEMENT**  
for the Year Ended 31 December 2010

**1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2010 £	2009 £
Operating profit/(loss)	208,123	(321,877)
Depreciation charges	817,580	898,666
Profit on disposal of fixed assets	(3,804)	-
Decrease in loans from group companies	(2,133,547)	1,419,706
Decrease in stocks	152,003	78,304
Decrease/(Increase) in debtors	3,258,703	(455,558)
Decrease in creditors	(338,988)	(346,894)
<b>Net cash inflow from operating activities</b>	<b>1,960,070</b>	<b>1,272,347</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	9,205	5,978
Interest paid	(46,776)	(71,837)
Interest element of hire purchase payments	(1,968)	(1,977)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(39,539)</b>	<b>(67,836)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(284,815)	(500,274)
Sale of tangible fixed assets	22,200	-
<b>Net cash outflow for capital expenditure</b>	<b>(262,615)</b>	<b>(500,274)</b>
<b>Financing</b>		
New loans in year	187,870	-
Exchange rate difference on loan	(75,498)	(191,294)
Capital repayments in year	(354,580)	(254,871)
<b>Net cash outflow from financing</b>	<b>(242,208)</b>	<b>(446,165)</b>

**NOTES TO THE CASH FLOW STATEMENT  
for the Year Ended 31 December 2010**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	1,142,479	1,415,708	2,558,187
	<u>1,142,479</u>	<u>1,415,708</u>	<u>2,558,187</u>
Debt			
Hire purchase	(29,851)	10,979	(18,872)
Debts falling due within one year	(322,242)	(52,367)	(374,609)
Debts falling due after one year	(2,709,270)	283,596	(2,425,674)
	<u>(3,061,363)</u>	<u>242,208</u>	<u>(2,819,155)</u>
Total	<u>(1,918,884)</u>	<u>1,657,916</u>	<u>(260,968)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2010

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The company is showing net liabilities as at 31 December 2010 and 31 December 2009. The ultimate parent company has confirmed that it will continue to support the company financially, to allow it to continue its operations for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Improvements to property	- 2% on cost
Plant and machinery	- 10% - 20% on reducing balance
Fixtures and fittings	- 12.5% - 25% on reducing balance
Motor vehicles	- 25% on reducing balance

No depreciation has been charged in respect of the freehold property, as its useful economic life is expected to exceed fifty years.

**Stocks**

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

**Deferred tax**

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

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

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**1 ACCOUNTING POLICIES - continued**

**Group accounts**

The directors have relied upon the exemption conferred by Section 405 of the Companies Act 2006 from the requirement to prepare group accounts

**2 STAFF COSTS**

	2010 £	2009 £
Wages and salaries	1,270,517	1,479,108
Other pension costs	15,643	15,824
	<u>1,286,160</u>	<u>1,494,932</u>

The average monthly number of employees during the year was as follows

	2010	2009
Administration	5	5
Production	34	43
Sales	3	3
	<u>42</u>	<u>51</u>

**3 OPERATING PROFIT/(LOSS)**

The operating profit (2009 - operating loss) is stated after charging/(crediting)

	2010 £	2009 £
Depreciation - owned assets	812,326	892,661
Depreciation - assets on hire purchase contracts	5,254	6,005
Profit on disposal of fixed assets	(3,804)	-
Auditors' remuneration	3,500	3,500
	<u>-</u>	<u>-</u>
Directors' remuneration	-	-

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Bank interest	949	1,374
Bank loan interest	45,827	70,463
Hire purchase interest	1,968	1,977
	<u>48,744</u>	<u>73,814</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	1,933	-
	<u>1,933</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>1,933</u>	<u>-</u>

**Factors that may affect future tax charges**

The company has tax losses of £3,060,514 (2009 £3,141,862) that are available indefinitely for offset against future taxable profits of the company. A deferred tax asset has not been recognised in respect of these losses, as in the opinion of the directors it is considered more than likely that taxable profits from which losses can be deducted will not be available in the immediate future.

**6 TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 January 2010	3,538,937	40,923	10,294,276
Additions	9,668	-	275,147
Disposals	-	-	(22,033)
	<u>3,548,605</u>	<u>40,923</u>	<u>10,547,390</u>
At 31 December 2010			
<b>DEPRECIATION</b>			
At 1 January 2010	-	21,769	4,027,153
Charge for year	-	818	807,144
Eliminated on disposal	-	-	(3,637)
	<u>-</u>	<u>22,587</u>	<u>4,830,660</u>
At 31 December 2010			
<b>NET BOOK VALUE</b>			
At 31 December 2010	<u>3,548,605</u>	<u>18,336</u>	<u>5,716,730</u>
At 31 December 2009	<u>3,538,937</u>	<u>19,154</u>	<u>6,267,123</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**6 TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 January 2010	129,964	19,544	14,023,644
Additions	-	-	284,815
Disposals	-	-	(22,033)
At 31 December 2010	129,964	19,544	14,286,426
<b>DEPRECIATION</b>			
At 1 January 2010	96,872	10,175	4,155,969
Charge for year	7,276	2,342	817,580
Eliminated on disposal	-	-	(3,637)
At 31 December 2010	104,148	12,517	4,969,912
<b>NET BOOK VALUE</b>			
At 31 December 2010	25,816	7,027	9,316,514
At 31 December 2009	33,092	9,369	9,867,675

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
<b>COST</b>	
At 1 January 2010 and 31 December 2010	54,899
<b>DEPRECIATION</b>	
At 1 January 2010	12,866
Charge for year	5,254
At 31 December 2010	18,120
<b>NET BOOK VALUE</b>	
At 31 December 2010	36,779
At 31 December 2009	42,033

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**7 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2010 and 31 December 2010	<u>9,180</u>
<b>PROVISIONS</b>	
At 1 January 2010 and 31 December 2010	<u>9,180</u>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<u>-</u>
At 31 December 2009	<u>-</u>

The company's investments at the balance sheet date in the share capital of companies include the following

**D W Clark (Drainage Equipment) Ltd**

Nature of business Dormant

Class of shares	% holding 100 00	2010 £	2009 £
Ordinary £1			
Aggregate capital and reserves		<u>9,091</u>	<u>9,091</u>

**8 STOCKS**

	2010 £	2009 £
Stocks	<u>885,225</u>	<u>1,037,228</u>

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade debtors	1,367,993	1,239,332
Amounts owed by group undertakings	-	3,379,480
Prepayments	57,138	65,022
	<u>1,425,131</u>	<u>4,683,834</u>

During the year, all group undertakings agreed to transfer debtor balances against 'amounts owed to group undertakings' falling due after more than one year (see note 11)



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**10 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Bank loans and overdrafts (see note 12)	327,653	322,242
Other loans (see note 12)	46,956	-
Hire purchase contracts (see note 13)	10,974	10,974
Trade creditors	1,091,616	990,918
Amounts owed to group undertakings	-	655,788
Corporation tax	1,933	-
Social security and other taxes	97,183	46,869
Other creditors	2,892	1,931
Accruals	359,996	195,169
	<u>1,939,203</u>	<u>2,223,891</u>

During the year, all group undertakings agreed to transfer creditor balances against 'amounts owed to group undertakings' falling due after more than one year (see note 11)

**11 CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010 £	2009 £
Bank loans (see note 12)	2,312,197	2,709,270
Other loans (see note 12)	113,477	-
Hire purchase contracts (see note 13)	7,898	18,877
Amounts owed to group undertakings	11,008,867	13,142,414
	<u>13,442,439</u>	<u>15,870,561</u>

**12 LOANS**

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank loans	327,653	322,242
Other loans	46,956	-
	<u>374,609</u>	<u>322,242</u>
Amounts falling due between one and two years		
Bank loans	332,183	326,695
Other loans - 1-2 years	46,956	-
	<u>379,139</u>	<u>326,695</u>
Amounts falling due between two and five years		
Bank loans	1,024,351	1,007,428
Other loans - 2-5 years	66,521	-
	<u>1,090,872</u>	<u>1,007,428</u>

Amounts falling due in more than five years

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**12 LOANS - continued**

	2010 £	2009 £
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>955,663</u>	<u>1,375,147</u>

**13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2010 £	2009 £
Net obligations repayable		
Within one year	10,974	10,974
Between one and five years	<u>7,898</u>	<u>18,877</u>
	<u>18,872</u>	<u>29,851</u>

Obligations under hire purchase contracts are secured against the assets to which they relate

**14 SECURED DEBTS**

The following secured debts are included within creditors

	2010 £	2009 £
Bank loans	<u>2,639,850</u>	<u>3,031,512</u>

The above creditors are secured by charges over all property and assets held by the company

**15 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

**16 RESERVES**

	Profit and loss account £
At 1 January 2010	(1,364,236)
Profit for the year	<u>166,651</u>
At 31 December 2010	<u>(1,197,585)</u>

**17 ULTIMATE PARENT COMPANY**

The company's ultimate parent company and controlling party is JFC Manufacturing Co Limited, which is a company incorporated in Ireland

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2010**

**18 RELATED PARTY DISCLOSURES**

JFC Plastics Ltd is a wholly owned subsidiary of JFC Manufacturing Co Ltd

During the year, the company made sales of £2,231,089 (2009 £2,465,496) to JFC Manufacturing Co Ltd, and purchases from JFC Manufacturing Co Ltd of £1,021,648 (2009 £1,236,737) The amount owed to JFC Manufacturing Co Ltd at the year end is £7,016,376 (2009 £6,777,752)

JFC Manufacturing (Europe) Ltd is also a subsidiary undertaking of JFC Manufacturing Co Ltd

During the year, the company made sales of £140,751 (2009 £151,805) to JFC Manufacturing (Europe) Ltd, and purchases from JFC Manufacturing (Europe) Ltd of £19,789 (2009 £107,618) The amount owed to JFC Manufacturing (Europe) Ltd at the year end is £3,983,697 (2009 £3,632,176)

JFC Polska is a company controlled by one of the directors of JFC Plastics Ltd

The amount owed to JFC Polska at the year end is £8,794 (2009 £8,794)

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Profit/(Loss) for the financial year	166,651	(389,713)
<b>Net addition/(reduction) to shareholders' funds</b>	166,651	(389,713)
Opening shareholders' funds	(1,363,236)	(973,523)
<b>Closing shareholders' funds</b>	<u>(1,196,585)</u>	<u>(1,363,236)</u>