

Glendale Plastics Limited
Financial Statements
31 December 2021



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PATERSON BOYD & Co.
Chartered Accountants

Glendale Plastics Limited

Financial Statements

Year ended 31 December 2021

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Glendale Plastics Limited

Officers and Professional Advisers

The board of directors

J B Galloway
D W Galloway
C M A Pierronnet

Registered office

Glover Road
Westwood Park
Glenrothes
Fife
KY7 4UH

Auditor

Paterson Boyd & Co Limited
Chartered Accountants & Statutory Auditor
18 North Street
Glenrothes
Fife
KY7 5NA

Bankers

HSBC
76 Hanover Street
Edinburgh
EH12 1EL

The Royal Bank of Scotland
3 Falkland Gate
Kingdom Centre
Glenrothes
Fife
KY7 5NS

Handelsbanken
1 Pitreavie Court
Pitreavie Business Park
Dunfermline
Fife
KY11 8US

Solicitors

Wright, Johnston & MacKenzie LLP
Crescent House
Carnegie Campus
Enterprise Way
Dunfermline
Fife
KY11 8GR

Glendale Plastics Limited

Directors' Report

Year ended 31 December 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

Directors

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

J B Galloway
D W Galloway
C M A Pierronnet

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 judgments 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.

Glendale Plastics Limited

Directors' Report *(continued)*

Year ended 31 December 2021

Statement of disclosure to auditor

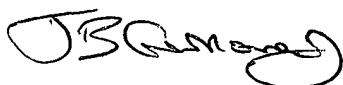
Each of the persons who is a director at the date of approval of this report confirms that:

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

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 27 June 2022 and signed on behalf of the board by:



J B Galloway
Director

Registered office:
Glover Road
Westwood Park
Glenrothes
Fife
KY7 4UH

Glendale Plastics Limited

Independent Auditor's Report to the Members of Glendale Plastics Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Glendale Plastics Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

In common with many other businesses of this size and nature the auditors prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Glendale Plastics Limited

Independent Auditor's Report to the Members of Glendale Plastics Limited *(continued)*

Year ended 31 December 2021

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit; or
 - the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.
-

Glendale Plastics Limited

Independent Auditor's Report to the Members of Glendale Plastics Limited *(continued)*

Year ended 31 December 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations and prohibited business practices, and we considered that the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override controls), and determined that the principal risks were related to the potential posting of inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Glendale Plastics Limited

Independent Auditor's Report to the Members of Glendale Plastics Limited *(continued)*

Year ended 31 December 2021

Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Identifying and testing journal entries based on risk criteria.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Testing transactions entered into outside of normal course of operation.
- Investigated the rationale behind significant or unusual transactions.
- Reviewed accounting estimates for evidence of bias.
- Performed analytical review and sample testing of income.
- Carried out debtors' and creditors' circularisation.
- Agreed financial statement disclosures to supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Glendale Plastics Limited

Independent Auditor's Report to the Members of Glendale Plastics Limited *(continued)*

Year ended 31 December 2021

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Neil Robson B.Sc., C.A. (Senior Statutory Auditor)

For and on behalf of
Paterson Boyd & Co Limited
Chartered Accountants & Statutory Auditor
18 North Street
Glenrothes
Fife
KY7 5NA

27 June 2022

Glendale Plastics Limited

Statement of Comprehensive Income

Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	5,036,375	5,058,188
Cost of sales		3,587,926	3,367,676
Gross profit		1,448,449	1,690,512
Distribution costs		219,331	214,026
Administrative expenses		970,442	849,685
Other operating income	5	248,430	305,267
Operating profit	6	507,106	932,068
Interest payable and similar expenses	10	16,533	21,946
Profit before taxation		490,573	910,122
Tax on profit	11	91,218	89,103
Profit for the financial year		399,355	821,019
Fair value movements on investments in subsidiaries		430,252	41,725
Reversal of revaluation on disposal		(7,811)	-
Other comprehensive income for the year		422,441	41,725
Total comprehensive income for the year		821,796	862,744

All the activities of the company are from continuing operations.

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,954,275	2,092,182
Investments	14	987,938	722,497
		<u>2,942,213</u>	<u>2,814,679</u>
Current assets			
Stocks	15	863,077	632,515
Debtors	16	1,311,394	1,373,244
Cash at bank and in hand		723,943	1,088,292
		<u>2,898,414</u>	<u>3,094,051</u>
Creditors: amounts falling due within one year	17	706,060	1,015,994
Net current assets		<u>2,192,354</u>	<u>2,078,057</u>
Total assets less current liabilities		<u>5,134,567</u>	<u>4,892,736</u>
Creditors: amounts falling due after more than one year	18	183,567	373,155
Provisions	20	187,042	208,001
Net assets		<u>4,763,958</u>	<u>4,311,580</u>
Capital and reserves			
Called up share capital	25	99,848	99,848
Share premium account	26	8,496	8,496
Revaluation reserve	26	1,047,649	625,208
Capital redemption reserve	26	4,000	4,000
Profit and loss account	26	3,603,965	3,574,028
Shareholders funds		<u>4,763,958</u>	<u>4,311,580</u>

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

The statement of financial position
continues on the following page.

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Statement of Financial Position *(continued)*

31 December 2021

These financial statements were approved by the board of directors and authorised for issue on 27 June 2022, and are signed on behalf of the board by:



J B Galloway
Director

Company registration number: SC070131

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2020	99,848	8,496	583,483	4,000	3,064,639	3,760,466
Profit for the year					821,019	821,019
Other comprehensive income for the year:						
Fair value movements on investments in subsidiaries	—	—	41,725	—	—	41,725
Total comprehensive income for the year	—	—	41,725	—	821,019	862,744
Dividends paid and payable 12	—	—	—	—	(311,630)	(311,630)
Total investments by and distributions to owners	—	—	—	—	(311,630)	(311,630)
At 31 December 2020	99,848	8,496	625,208	4,000	3,574,028	4,311,580
Profit for the year					399,355	399,355
Other comprehensive income for the year:						
Fair value movements on investments in subsidiaries	—	—	430,252	—	—	430,252
Reversal of revaluation on disposal	—	—	(7,811)	—	—	(7,811)
Total comprehensive income for the year	—	—	422,441	—	399,355	821,796

The statement of changes in equity
continues on the following page.

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Statement of Changes in Equity *(continued)*

Year ended 31 December 2021

		Called up share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
Dividends paid and payable	12	—	—	—	—	(369,418)	(369,418)
Total investments by and distributions to owners		—	—	—	—	(369,418)	(369,418)
At 31 December 2021		<u>99,848</u>	<u>8,496</u>	<u>1,047,649</u>	<u>4,000</u>	<u>3,603,965</u>	<u>4,763,958</u>

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Statement of Cash Flows

Year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	399,355	821,019
<i>Adjustments for:</i>		
Depreciation of tangible assets	154,463	173,851
Government grant income	(1,644)	(45,757)
Interest payable and similar expenses	16,533	21,946
Loss on disposal of tangible assets	27,041	910
Loss on disposal of intangible assets	25,671	–
Tax on profit	91,218	89,103
Accrued expenses/(Income)	1,592	(32,932)
<i>Changes in:</i>		
Stocks	(230,562)	(30,641)
Trade and other debtors	61,850	284,101
Trade and other creditors	(244,857)	(42,546)
Cash generated from operations	300,660	1,239,054
Interest paid	(16,533)	(21,946)
Tax paid	(192,732)	(43,634)
Net cash from operating activities	<u>91,395</u>	<u>1,173,474</u>
Cash flows from investing activities		
Purchase of tangible assets	(43,596)	(48,860)
Proceeds from sale of tangible assets	(1)	751
Proceeds from sale of intangible assets	(25,671)	–
Proceeds from sale of subsidiaries	157,000	–
Net cash from/(used in) investing activities	<u>87,732</u>	<u>(48,109)</u>
Cash flows from financing activities		
Proceeds from borrowings	(114,670)	(172,010)
Government grant income	1,644	45,757
Payments of finance lease liabilities	(61,032)	(75,046)
Dividends paid	(369,418)	(311,630)
Net cash used in financing activities	<u>(543,476)</u>	<u>(512,929)</u>

The statement of cash flows
continues on the following page.

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Statement of Cash Flows *(continued)*

Year ended 31 December 2021

	Note	2021 £	2020 £
Net (decrease)/increase in cash and cash equivalents		(364,349)	612,436
Cash and cash equivalents at beginning of year		1,088,292	475,856
Cash and cash equivalents at end of year		<u>723,943</u>	<u>1,088,292</u>

The notes on pages 16 to 32 form part of these financial statements.

Glendale Plastics Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Glover Road, Westwood Park, Glenrothes, Fife, KY7 4UH.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

Going concern

The directors are of the opinion that the company can continue to meet its obligations as they fall due for the foreseeable future due to the current level of financial reserves and expectations of future income. As a consequence the financial statements have been prepared on the going concern basis.

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.

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Corporation 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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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.

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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.

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:

Short leasehold property	-	Straight line over the life of the lease
Plant and machinery	-	10% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	Straight line over 3 years

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 are largely independent of the cash inflows from other assets or groups of assets.

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

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.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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 statement of financial position and the amount of the provision as an expense.

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

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

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	5,036,375	5,058,188

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021	2020
	£	£
United Kingdom	5,011,189	5,025,363
Overseas	25,186	32,825
	5,036,375	5,058,188

5. Other operating income

	2021	2020
	£	£
Management charges receivable	240,330	244,917
Government grant income	1,644	45,757
Rent received	6,456	14,593
	248,430	305,267

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	154,463	173,851
Loss on disposal of tangible assets	27,041	910
Loss on disposal of intangible assets	25,671	—
Impairment of trade debtors	(4,883)	8,600
Operating lease rentals	139,265	137,870
Foreign exchange differences	(424)	(1,481)

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>7,500</u>	<u>8,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>2,110</u>	<u>2,640</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	53	50
Administrative staff	3	3
Management staff	3	3
	<u>59</u>	<u>56</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	1,380,658	1,326,377
Social security costs	120,453	118,867
Other pension costs	152,199	141,159
	<u>1,653,310</u>	<u>1,586,403</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	152,263	173,177
Company contributions to defined contribution pension plans	121,653	111,037
	<u>273,916</u>	<u>284,214</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	3,225	6,522
Interest on obligations under finance leases and hire purchase contracts	13,308	14,562
Corporation tax interest	–	862
	<u>16,533</u>	<u>21,946</u>

11. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	112,177	192,732
Adjustments in respect of prior periods	–	(87,926)
Total current tax	<u>112,177</u>	<u>104,806</u>
Deferred tax:		
Origination and reversal of timing differences	(20,959)	(15,703)
Tax on profit	<u>91,218</u>	<u>89,103</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>490,573</u>	<u>910,122</u>
Profit on ordinary activities by rate of tax	93,209	172,923
Adjustment to tax charge in respect of prior periods	–	(87,926)
Effect of expenses not deductible for tax purposes	3,394	5,873
Effect of capital allowances and depreciation	15,574	13,936
Deferred tax	(20,959)	(15,703)
Tax on profit	<u>91,218</u>	<u>89,103</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

12. Dividends

	2021 £	2020 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>369,418</u>	<u>311,630</u>

13. Tangible assets

	At 1 Jan 2021 £	Additions £	Disposals £	At 31 Dec 2021 £
Cost				
Freehold property	670,428	—	—	670,428
Short leasehold property	177,988	—	—	177,988
Plant and machinery	2,800,679	43,596	(86,082)	2,758,193
Fixtures, fittings and equipment	31,529	—	—	31,529
Motor vehicles	207,640	—	—	207,640
Computer equipment	94,577	—	(62,909)	31,668
	<u>3,982,841</u>	<u>43,596</u>	<u>(148,991)</u>	<u>3,877,446</u>

	At 1 Jan 2021 £	Charge for the year £	Disposals £	At 31 Dec 2021 £
Depreciation				
Freehold property	—	—	—	—
Short leasehold property	108,831	4,606	—	113,437
Plant and machinery	1,531,838	128,546	(59,042)	1,601,342
Fixtures, fittings and equipment	28,928	391	—	29,319
Motor vehicles	129,005	19,659	—	148,664
Computer equipment	92,057	1,261	(62,909)	30,409
	<u>1,890,659</u>	<u>154,463</u>	<u>(121,951)</u>	<u>1,923,171</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. Tangible assets *(continued)*

	At 31 Dec 2021 £	At 31 Dec 2020 £
Carrying amount		
Freehold property	670,428	670,428
Short leasehold property	64,551	69,157
Plant and machinery	1,156,851	1,268,841
Fixtures, fittings and equipment	2,210	2,601
Motor vehicles	58,976	78,635
Computer equipment	1,259	2,520
	<u>1,954,275</u>	<u>2,092,182</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 31 Dec 2021	<u>368,917</u>	<u>58,976</u>	<u>427,893</u>
At 31 Dec 2020	<u>409,908</u>	<u>78,635</u>	<u>488,543</u>

14. Investments

	Shares in group undertakings £
Cost	
At 1 Jan 2021	722,497
Disposals	(157,000)
Revaluations	422,441
At 31 Dec 2021	<u>987,938</u>
Impairment	
At 1 Jan 2021 and 31 Dec 2021	<u>—</u>
Carrying amount	
At 31 Dec 2021	<u>987,938</u>
At 31 Dec 2020	<u>722,497</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

14. Investments *(continued)*

Investments held at valuation

Fixed asset investments are stated at market value.

In respect of investments held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Shares in group undertakings £
At 31 Dec 2021	
Aggregate cost	13,000
Aggregate depreciation	—
Carrying value	<u>13,000</u>
At 31 Dec 2020	
Aggregate cost	170,000
Aggregate depreciation	—
Carrying value	<u>170,000</u>

Subsidiaries, associates and other investments

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Glendale Mouldings Limited	Unit V Telford Road Eastfield Industrial Estate Glenrothes Fife KY7 4NX	Ordinary £1	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2021	2020	2021	2020
	£	£	£	£
Subsidiary undertakings				
Glendale Mouldings Limited	<u>1,646,563</u>	<u>929,476</u>	<u>735,596</u>	<u>69,623</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

15. Stocks

	2021	2020
	£	£
Raw materials and consumables	486,645	192,338
Finished goods and goods for resale	376,432	440,177
	<u>863,077</u>	<u>632,515</u>

16. Debtors

	2021	2020
	£	£
Trade debtors	742,022	772,955
Amounts owed by group undertakings	526,812	564,177
Prepayments and accrued income	6,594	25,585
Directors loan account	10,527	10,527
Other debtors	25,439	—
	<u>1,311,394</u>	<u>1,373,244</u>

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	103,250	114,670
Trade creditors	248,256	382,689
Accruals and deferred income	36,778	35,186
Corporation tax	112,177	192,732
Social security and other taxes	100,108	212,325
Obligations under finance leases and hire purchase contracts	83,421	58,115
Other creditors	22,070	20,277
	<u>706,060</u>	<u>1,015,994</u>

HSBC hold a floating charge and composite company unlimited multilateral guarantee over the heritable and moveable assets of the group.

18. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	43,251	146,501
Obligations under finance leases and hire purchase contracts	140,316	226,654
	<u>183,567</u>	<u>373,155</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021 £	2020 £
Not later than 1 year	83,421	58,115
Later than 1 year and not later than 5 years	140,316	226,654
	<u>223,737</u>	<u>284,769</u>

20. Provisions

	Deferred tax (note 21) £
At 1 Jan 2021	208,001
Charge against provision	(20,959)
At 31 Dec 2021	<u>187,042</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provisions (note 20)	<u>187,042</u>	<u>208,001</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Accelerated capital allowances	<u>187,042</u>	<u>208,001</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £152,199 (2020: £141,159).

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>1,644</u>	<u>45,757</u>

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>2,898,414</u>	<u>3,094,051</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>889,627</u>	<u>1,389,149</u>

Financial assets measured at amortised cost comprise stock, cash at bank and in hand, trade debtors, prepayments and other debtors.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, corporation tax and other tax and social security, accruals and deferred income and other creditors.

25. Called up share capital

Authorised share capital

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>99,848</u>	<u>99,848</u>	<u>99,848</u>	<u>99,848</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

25. Called up share capital *(continued)*

Shares issued and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>99,848</u>	<u>99,848</u>	<u>99,848</u>	<u>99,848</u>

26. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

27. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	1,088,292	(364,349)	723,943
Debt due within one year	(172,785)	(13,886)	(186,671)
Debt due after one year	(373,155)	189,588	(183,567)
	<u>542,352</u>	<u>(188,647)</u>	<u>353,705</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	190,096	228,863
Later than 1 year and not later than 5 years	674,187	688,830
Later than 5 years	–	138,632
	<u>864,283</u>	<u>1,056,325</u>

29. Directors' advances, credits and guarantees

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

	Balance brought forward and outstanding	
	2021	2020
	£	£
J B Galloway	7,527	7,527
D W Galloway	3,000	3,000
	<u>10,527</u>	<u>10,527</u>

Glendale Plastics Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

30. Related party transactions

For the whole of the financial year the company was under the control of its directors, J B Galloway, D W Galloway and C M A Pierronnet.

At the statement of financial position date the company was due £7,527 (2020: £7,527) from J B Galloway and £3,000 (2020: £3,000) from D W Galloway.

At the statement of financial position date the company was due £526,812 (2020: £544,078) from Glendale Mouldings Limited and £Nil (2020: £20,099) from Giffex Limited in the form of inter-company loans. Glendale Mouldings Limited is 100% owned by Glendale Plastics Limited. Giffex Limited was 100% owned by Glendale Plastics Limited however the company was dissolved in the year, as was Alumould Limited which was also 100% owned by Glendale Plastics Limited.

During the year administrative costs borne by Glendale Plastics Limited of £269,501 (2020: £329,240) was recharged to Glendale Mouldings Limited. At the statement of financial position date an amount totalling £63,322 (2020: £88,758) was included within trade debtors from Glendale Mouldings Limited in relation to these transactions.

During the year the company made sales of £28,541 (2020: £12,349) to Glendale Mouldings Limited. All of these transactions were carried out under normal trade conditions.

Total remuneration paid to key management personnel during the year was £273,517 (2020: £284,214).