30th June 2015

Plastics Capital plc

("Plastics Capital", the "Company" or the "Group")

Preliminary Results for the year ended 31 March 2015

Plastics Capital plc (AIM: PLA), the niche plastics products manufacturer, announces its preliminary audited results for the year ended 31 March 2015, which are in line with consensus market expectations.

Financial highlights

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000	%Change
Revenue	39,576	32,456	21.9%
EBITDA*	5,257	4,894	7.4%
Profit before tax*	3,673	3,587	2.4%
EPS (p)*+	10.8	11.1	-2.7%
DPS (p)	4.0	3.0	33.3%
Operating cash flow*	3,572	2,851	25.3%

** excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative gains / losses (see Note 4&5).*
+ applying an underlying charge of 8% and based on the weighted average number of shares in issue in the year.

Operational highlights

- Strong revenue growth driven by acquisitions;
- Strong cash flow – cash conversion up from 59% to 68%;
- Significant improvement in performance between H1 and H2;
- Flexipol acquisition contributing well to Group performance;
- Continued progress in China with Shengli integration and four new key accounts;
- Creasing matrix volumes up 7% year-on-year;
- Strong pipeline of new business still to go into production;
- Another significant increase in dividend.

Commenting on these results, Faisal Rahmatallah, Executive Chairman, said:
"We have achieved strong revenue growth in FY2015, reflecting excellent acquisitions made over the last 18 months. Flexipol has contributed strongly and Shengli has enabled us to transform our operations in China. Meanwhile, organic growth, which had slowed in H1, resumed in H2 as long awaited projects in our bearings division entered production. Profitability and cash flow have remained strong.

"Trading in the current year is in line with management's expectations and we anticipate that turnover will improve throughout the year as projects that have already been won convert into sales and we take advantage of synergies and growth opportunities at Flexipol. We look forward to another year of good progress."

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Notes to Editors

Plastics Capital is a consolidator of plastics products manufacturers focused on proprietary products for niche markets. The Group has five factories in the UK, one in Thailand, two in China and sales offices in the USA, Japan, China and India. Approximately 40 per cent of sales are exported to over 80 countries worldwide. Production is concentrated in the UK where significant engineering know-how and automation underpins the Group's competitiveness. The Group has approximately 460 employees.

Further information can be found on www.plasticscapital.com

Chairman's Statement

Financial Review

FY2015 has been a year of strong revenue growth by acquisition. We completed the acquisition of Flexipol in November 2014 and we also benefitted through the addition of Shengli, based in Beijing, from the beginning of the financial year. Together these acquisitions enabled turnover to grow by 22% for the year. Flexipol has more than doubled the scale of our activities in industrial packaging films and Shengli has added 25% to our global creasing matrix activities and has given our Chinese operations critical mass.

Organic growth has improved significantly over the financial year but has been disappointing overall. Our mandrel business was unable to sustain the 39% increase in sales that it had achieved in the prior year and sales fell back by 21% year-on-year. In bearings, H2 saw a significant improvement over H1 as projects which had been delayed went into production and we finished slightly ahead for the year after adjusting for foreign exchange movement. In the Packaging Division, creasing matrix volumes increased 7% and retained sales in industrial packaging films were flat. On a pro-forma basis, including a full year of Flexipol, organic growth of industrial packaging film sales was up 3.4%.

Underlying earnings before interest, tax, depreciation and amortisation increased by 7% over prior year, driven mainly by the acquisitions. Flexipol and Shengli added 24% to EBITDA but this was counteracted by the impact of lower mandrel sales, foreign exchange and costs that were added in the year primarily to manage our business in China and to develop further bearings sales.

Depreciation increased £0.3 million on the prior year due to capital investment made in the prior year in new capacity in our industrial films business and also because of the impact of the Flexipol acquisition. Interest costs and tax remain low and similar to prior year. Consequently, underlying EPS reduced by 2.7% primarily due to the additional 7.8 million new shares issued to fund the acquisitions of Flexipol and Shengli.

Exceptional costs were incurred because of the acquisition of Flexipol; approximately £1 million of costs were incurred in capital raising, preparing and agreeing contracts, deal origination and in due diligence activities. This level of costs inevitably makes us stop to consider any acquisition opportunity fully before proceeding.

Cash conversion, which is cash converted from EBITDA excluding exceptional items, was up on the prior year from 59% to 68%. Lower capital expenditure, down from £1.8 million to £1.0 million and improved working capital, which was down from 14.6% of sales to 13.3% of sales, were the main contributors to this improved cash conversion. We anticipate working capital can remain at these levels going forward, particularly with the addition of Flexipol in the Group. We do however expect capital expenditure to increase to take advantage of the growth opportunities that we see for the Group.

Following the year end, the Company undertook a sale and leaseback of the Flexipol property which realised cash of £1.4 million in June 2015. This has subsequently resulted in the net debt leverage reducing to approximately 1.6x based on the current run rate EBITDA of the Group.

Acquisitions

The acquisition of Flexipol has been a significant step for the Group. We had maintained contact with the owners over three years prior to acquisition and had clearly established that Flexipol matched our template. Flexipol has specialist value-added products, some of which are patented and the manufacturing process is also unusual and makes the company different from competitors operating in the same marketplace. Customers are longstanding and seek Flexipol's expertise to come up with new technical solutions for superior product performance or to save supply chain costs. The Flexipol management team also share the same focus as the rest of the Plastics Capital Group on the development of niche products through customer focused innovation.

Since the acquisition, Flexipol has performed extremely well. Sales in tonnes were up 5% compared to the same period in the prior year and EBITDA was also up 9%. All key accounts have been retained and additional business has been secured in a number of areas.

Flexipol more than doubles the size of our films business and means that 55% of Group sales on an annualised basis come from this area. Since the acquisition was completed, we have concentrated on succession planning, integration both with the Group and with our other industrial films business, Palagan, and on understanding better the scope for further growth of Flexipol's business. We have confirmed the potential for significant cost savings and cross-selling opportunities between Flexipol and Palagan, and we have clarified and started to implement key growth initiatives for Flexipol which take advantage of their niche products and capabilities.

Shengli has enabled us to build management infrastructure in China to enable us to develop our bearings and mandrels business there and to achieve a leadership position in creasing matrix. Integration activity has gone according to plan with a number of production synergies achieved and consolidation of sales and distribution activities are in progress.

New Business

Revenue from new business was £1.2 million during the period, which was good but not enough to meet our organic growth goals. Losses were low, accounting for only 2% of turnover. The critical objective is therefore to speed up the win rate.

The key part of our business where we have targeted key account wins is in our Industrial Division – bearings and mandrels. In H2 the projects pipeline in our bearings business has started to convert and we hope to see this increase over the next 24 months. Tool orders for steering column bearings have been won from two new important tier one automotive customers and we now also have tool orders from four CCTV camera manufacturers in China.

In mandrels, the slump in the oil and gas sector and in the mining sector during 2014 affected demand and no new accounts were converted in FY2015. However, after the period end we have achieved conversion of three important mandrel accounts. Another 15 active prospects remain in the pipeline and we are optimistic about this business returning to growth this financial year.

Raw Materials

Commodity raw material prices edged downwards during H1 and then declined by 20-25% during H2. These polymer prices are somewhat linked to oil prices which had by then declined sharply. This had the effect of temporarily improving margins in our industrial films division during Q4 and contributed 3-4% of EBITDA for the year. However, raw material prices have increased sharply since the financial year end as polymer manufacturers have reduced capacity largely because of unplanned plant shutdowns. We anticipate that greater stability will return to commodity raw material prices during Q2 2016. Engineering plastic prices have been largely unaffected, although we are aware of some shortages in certain types of material and will need to remain vigilant.

Strategy

The Group's priority is to achieve greater than 5% annual turnover growth by organic means and to augment this with acquisitions that fit with the businesses that we already have so as to create shareholder value.

The target of greater than 5% annual turnover growth by organic means has eluded us over recent years and we have spent some time assessing the reasons for this. We remain convinced that this level of growth is achievable in our businesses, provided we focus strategically on key customers, technical service and incremental product innovation and most importantly we implement our key initiatives effectively. We have identified the need to be more disciplined in resource allocation, implementation follow through and project management of key initiatives and consequently we have put in place a number of actions across the Group to address these issues.

As far as further acquisitions are concerned, we have a good list of target companies with whom we have ongoing discussions. Most would fit alongside our existing businesses and be complementary (as Flexipol and Palagan), or would be integrated into our current businesses to create a stronger global player (as Shengli and C&T). We have been on track with this part of our strategy over the last two years and believe that we have sufficient opportunities to be able to maintain this type of progress over the foreseeable future.

Dividend

Should the proposed final dividend of 2.67p be approved by shareholders, it would bring the total dividend for the year to 4.0p per share. This is 1.0p more than that paid in the prior year. As detailed in our dividend policy, we intend to progressively increase dividend payments over coming years as the Group's balance sheet continues to strengthen.

The Company intends to pay the final dividend of 2.67p to all shareholders on 28 August 2015 in respect of the year ended 31 March 2015. The record date for the dividend is 7 August 2015 and the associated ex-dividend date is 6 August 2015.

Outlook

Trading for FY 2016 is currently in line with management's expectations. Compared to the prior year, trading is weaker in the packaging division but stronger in the industrial division where the operational gearing is greater. The pipeline of new business remains strong and we are aware that converting it into sales is key to performance this year. Although we are optimistic about this, we have to recognise that the outlook for new business wins is always uncertain. In contrast, customer retention remains very good and underpins the long term value of the Group.

The Board wishes to extend its sincere thanks to the Group's employees, who have responded to new challenges extremely well. We continue to be highly profitable and cash generative as a Group. We look forward to year of good progress in FY 2016.

Faisal Rahmatallah
Executive Chairman

Operational Review

	2015 £000	2014 £000
Packaging		
Packaging consumables	**7,149**	5,680
High strength film packaging	**18,642**	12,073
Industrial Products		
Plastic rotating parts	**10,359**	10,376
Hose consumables	**3,426**	4,327
Turnover per consolidated income statement	**39,576**	32,456

Industrial Products

Bell Plastics ("Bell"), which manufactures hydraulic, industrial and automotive hose mandrels and films, had a weak year after an exceptional prior year. Sales fell by 21% after being up 39% in the prior year. Demand was adversely affected by lower demand in the oil and gas sector and also in the mining sector, both impacted by weaker commodity prices. Consequently new business won in the prior year was very slow to turn into re-orders and ongoing demand was generally weak.

Bell continued to make excellent progress operationally. Capacity expanded by 30% as faster line speeds were phased in through the year and all lines were fully automated. In addition, new materials continue to be added to widen the range of solutions available to customers; of note has been the introduction of standard and flexible grades of polypropylene using faster line speeds which has enabled Bell to target substantial new segments of the hose market.

Bell's strategy of focus on technical service and solution selling of a comprehensive range of mandrels and lubricants for the hose market has generated tremendous customer interest over the last two to three years. We believe that pipeline prospects for Bell are excellent and we have started to see conversion of the pipeline during the first quarter of the current financial year, despite the fact that the market generally remains in the doldrums. Whilst the volatility of this business is inherent to the markets it serves, we believe that over the long run we will continue to achieve the 10% annual growth that has been evident over the last 5 years.

BNL (UK) Limited ("BNL"), which manufactures plastic bearings and other rotating parts, saw sales improve significantly during the year as new projects and some recurring business came through in the second half of the year. Some excellent new project wins were also secured with important new key accounts; of particular note were bearings for two tier one steering column manufacturers, four projects for different CCTV manufacturers in China and the first project with a major Japanese document management company.

Operational performance has been very good. The Thailand factory has continued to increase in importance and standards there have further improved. All major customer audits during the year were passed; delivery and quality performance were excellent. New tooling designs have been progressed speedily and no longer represent a major bottleneck in the conversion process.

BNL's strategy is to focus on major accounts and projects in a few application areas where injection moulded plastic ball bearings have clear value-added advantages. These applications primarily include steering columns, instrument control knobs, paper pathways, CCTV cameras, food conveyor systems and water applications. The new business pipeline at BNL (projects already won but not yet in production or not yet at full production rate) remains at £3.5m. This business is expected to flow through over the next three years. Meanwhile, the list of projects which have not yet converted but for which prototypes have been produced and are under test is substantial and would produce another £3.8m annual sales if it all converted. Historically there is a 55% conversion rate from prototype project conversion.

We are in the process of interviewing and appointing a new managing director for this business as most of the restructuring activities necessary have been executed over the last three years. We are now looking for a strategic business builder who can lead the business to achieve the growth targets over the next five years.

Print and Packaging

C&T Matrix ("C&T"), which manufactures creasing matrix, a consumable used by packaging manufacturers to crease cardboard, increased sales by 2%. However, that included a 7% increase in high margin matrix volumes, a 24% increase in ejection rubber and a decrease in low margin, traded accessories. The growth in matrix was driven by new product introduction and through growth in key developing markets like Brazil, Mexico and India.

The growth in volumes put some strains on C&T's operations in the first part of the year. Management then made some excellent progress on fully implementing a new planning system and on improving machine speeds and efficiencies without compromising quality. Gradually over the course of the year delivery performance improved and overtime costs were virtually eliminated.

The integration of Shengli into the C&T Group has proceeded well. Basic standards of health & safety and quality have been improved and certain aspects of C&T's production technology have successfully been applied at Shengli. We are now harmonising product ranges and consolidating sales activity where it makes sense. Shengli branded products are represented now by the C&T sales team outside China, and within China the reverse applies. The run rate of production and commercial synergies is about £100,000 per annum, and we expect this to increase over the next year.

C&T's future growth will be based on organic development in developing markets and potentially through bolt-on acquisitions in developed countries, which may broaden the range of die-making and die-cutting consumables made available to end users.

Palagan Limited ("Palagan") our industrial film packaging business, had a mixed year with flat volumes but significant margin growth, mainly as a result of the fall in raw material prices during H2. Operational performance was very good with improvements on prior year in terms of scrap rates, returns and operating efficiencies.

In November 2014, Flexipol was acquired and this has provided a number of opportunities for growth and profit improvement. The two businesses are complementary, serving the same broad industrial packaging markets but with different product ranges, target customers and commercial strategies. Nevertheless there are excellent opportunities for achieving cost saving and cross-selling synergies. Cost saving opportunities include raw material purchases, energy and transportation. In terms of cross-selling, both companies can now offer a fuller range of products to their customers, many of whom are in any case seeking to consolidate suppliers of packaging suppliers. Annual run-rate margin improvements to date are approximately £300,000.

We see excellent opportunities to grow organically in this division. Capacity expansion is planned at Flexipol to enable the business to develop the sales of its specialist products to new accounts and to manufacture some new high strength products. Further sales resources are also being added. In addition there are opportunities for complementary acquisitions in this area which we have started to explore.

Financial Review

	2015 £000	2014 £000	Change %
Revenue	**39,576**	32,456	**21.9%**
Gross profit	**13,980**	11,693	**19.6%**
Operating profit	**1,511**	1,539	**9.0%**
Add back: Depreciation	1,211	931	
Add back: Amortisation	1,405	1,118	
Add back: Exceptional administrative costs	1,130	1,306	
EBITDA before exceptional costs	**5,257**	4,894	**7.4%**
(Loss)/profit before tax	(148)	1,035	
Add back: Amortisation of intangible assets & deal fees	1,512	1,289	
Add back: Exceptional costs	1,130	1,566	
Add back: Unrealised foreign exchange & derivative losses / (gains)	1,179	(303)	
Profit before tax*	**3,673**	3,587	**2.4%**
Tax charge	102	156	
Profit after tax*	**3,571**	3,431	**4.1%**
Basic adjusted EPS*+	**10.8p**	11.1p	**-2.7%**
Basic EPS	**(0.8)p**	3.2p	**-125.0%**
Capital expenditure	**977**	1,876	**-47.9%**
Net debt	**11,400**	7,170	**-59.0%**

* excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative gains/(losses)

+ - applying an underlying tax charge of 8% (2014: underlying tax charge of 13%) and based on weighted average shares in issue in the year

Revenue

Revenue for the year was £39.6 million which was an increase of 21.9% from £32.5 million in FY2014. On a like-for-like basis (i.e. adjusting for the Flexipol acquisition in the year and exchange rates), revenue decreased by 2.2%.

Gross profit

Gross profit was £14.0 million (margin: 35.3%) in FY2015 against £11.7 million (margin: 36.0%) in FY2014. The gross profit margin decreased slightly due to the acquisition of Flexipol in the year – this business has a gross margin similar to our existing films business, but their gross margins are at a lower level than our other businesses.

Exceptional costs

Exceptional costs incurred and included in administrative expenses in the year predominately relate to:

(i) costs associated with acquisition of Flexipol; and

(ii) redundancy and recruitment costs associated with the subsidiaries.

Profitability

EBITDA before exceptional costs was £5.3 million which is 7.4% higher than in FY2014.

Profit after taxation excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative losses of £3.6 million compares with the prior year equivalent of £3.4 million, which is an increase of 4.1%.

Taxation

The Group's tax charge for the year is £0.1 million which compares with a tax charge of £0.2 million in FY2014.

Earnings per share

Basic earnings per share are (0.8)p compared to 3.2p in FY2014. This is based on a weighted average 31.9 million shares (FY2014: 27.5 million shares). Adjusted earnings per share are 10.8p compared to 11.1p in FY2014 – a decrease of 2.7%.

Capital expenditure

Capital expenditure was £1.0 million in FY2015 which compares with £1.9 million in FY2014. This decrease arose because significant investment was made in FY2014 to increase our capacity and capabilities across for future growth. Specific capital expenditure in that year included:

- additional capacity to our industrial films business through the installation of a new extrusion line; and
- tool room investment at our bearing business which was completely upgraded as part of an initiative to improve conversion speed of projects.

Cash flow

In the year, cash generated from operations amounted to £3.7 million (FY2014: £4.0 million). The cash balance at the year end was £4.4 million (FY2014: £3.1 million), which represents cash generated in the year of £1.3 million (FY2014: £0.4 million).

Net debt and equity raise

Net debt at the year-end of £11.4 million (FY2014: £7.2 million) an increase during the year of £4.2 million. This was principally due to the debt finance taken on to part-fund the acquisition of Flexipol. Following the year end, the Company undertook a sale and leaseback of the Flexipol property which realised cash of £1.4 million in June 2015. This has subsequently resulted in the net debt leverage reducing to approximately 1.6x based on the current run rate EBITDA of the Group.

The Company also raised £5.0 million of equity during the year (£2.5m in FY2014) also to part-fund the acquisition of Flexipol.

Consolidated Income Statement

for year ended 31 March 2015

	Note	2015	2015	2015	2015	2014	2014	2014	2014
		Before foreign exchange & exceptional items	**Foreign exchange impact on derivatives and loans**	**Exceptional items**	**Total**	Before foreign exchange & exceptional items	Foreign exchange impact on derivatives and loans	Exceptional items	Total
		£000	**£000**	**£000**	**£000**	£000	£000	£000	£000
Revenue		**39,576**	**-**	**-**	**39,576**	32,456	-	-	32,456
Cost of sales	3	**(25,838)**	**242**	**-**	**(25,596)**	(20,877)	114	-	(20,763)
Gross profit		**13,738**	**242**	**-**	**13,980**	11,579	114	-	11,693
Distribution expenses		**(2,210)**	**-**	**-**	**(2,210)**	(1,959)	-	-	(1,959)
Administration expenses	3	**(9,141)**	**-**	**(1,130)**	**(10,271)**	(7,014)	-	(1,306)	(8,320)
Other income	4	**12**	**-**	**-**	**12**	125	-	-	125
Operating profit		**2,399**	**242**	**(1,130)**	**1,511**	2,731	114	(1,306)	1,539
Financial income	4 / 5	**-**	**-**	**-**	**-**	-	565	-	565
Finance expense	3 / 4 / 5	**(480)**	**(1,179)**	**-**	**(1,659)**	(547)	(262)	(260)	(1,069)
Net financing costs		**(480)**	**(1,179)**	**-**	**(1,659)**	(547)	303	(260)	(504)
Profit/(loss) before tax		**1,919**	**(937)**	**(1,130)**	**(148)**	2,184	417	(1,566)	1,035
Tax charge		**(102)**	**-**	**-**	**(102)**	(156)	-	-	(156)
Profit/(loss) for the year attributable to equity shareholders of the Company		**1,817**	**(937)**	**(1,130)**	**(250)**	2,028	417	(1,566)	879
Basic earnings per share attributable to equity shareholders of the Company	7				**(0.8)p**				3.2p
Diluted earnings per share attributable to equity shareholders of the Company	7				**(0.8)p**				3.2p

Consolidated Statement of Comprehensive Income

for year ended 31 March 2015

	2015	2014
	£000	£000
(Loss)/profit for the year	**(250)**	879
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign currency operations	**218**	(195)
Total comprehensive income	**(32)**	684
Total recognised income and expense for the year is attributable to:		
Equity holders of the parent	**(32)**	684

Consolidated Statement of Changes in Shareholders' Equity

for year ended 31 March 2015

	Share capital £000	**Share premium £000**	**Translation reserve £000**	**Reverse acquisition reserve £000**	**Capital redemption reserve £000**	**Retained earnings £000**	**Total £000**
Balance at 31 March 2013	275	14,098	611	2,640	(200)	3,149	20,573
Total recognised income and expense for the year	-	-	(195)	-	-	879	684
Shares issued	27	2,472	-	-	-	-	2,499
Dividends paid	-	-	-	-	-	(669)	(669)
Balance at 31 March 2014	**302**	**16,570**	**416**	**2,640**	**(200)**	**3,359**	**23,087**

	Share capital £000	**Share premium £000**	**Translation reserve £000**	**Reverse acquisition reserve £000**	**Capital redemption reserve £000**	**Retained earnings £000**	**Total £000**
Balance at 31 March 2014	302	16,570	416	2,640	(200)	3,359	23,087
Total recognised income and expense for the year	-	-	218	-	-	(250)	(32)
Share issue	51	4,318	-	-	-	-	4,369
Dividends paid	-	-	-	-	-	(1,075)	(1,075)
Balance at 31 March 2015	**353**	**20,888**	**634**	**2,640**	**(200)**	**2,034**	**26,349**

Consolidated Balance Sheet
at 31 March 2015

	Note	2015	*Revised* 2014
		£000	£000
Non-current assets			
Property, plant and equipment		**8,669**	5,031
Intangible assets		**24,404**	20,968
		33,073	25,999
Current assets			
Inventories		**4,006**	3,266
Trade and other receivables		**11,139**	7,916
Other financial assets		**-**	371
Cash and cash equivalents		**4,437**	3,134
		19,582	14,687
Total assets		**52,655**	40,686
Current liabilities			
Interest-bearing loans and borrowings		**5,143**	3,928
Trade and other payables		**8,788**	6,361
Corporation tax liability		**549**	344
		14,480	10,633
Non-current liabilities			
Interest-bearing loans and borrowings		**10,694**	6,376
Other financial liabilities		**408**	-
Deferred tax liabilities		**724**	590
		11,826	6,966
Total liabilities		**26,306**	17,599
Net assets		**26,349**	23,087
Equity attributable to equity holders of the parent			
Share capital	6	**353**	302
Share premium		**20,888**	16,570
Translation reserve		**634**	416
Reverse acquisition reserve		**2,640**	2,640
Capital redemption reserve		**(200)**	(200)
Retained earnings		**2,034**	3,359
Total equity		**26,349**	23,087

Consolidated Cash Flow Statement
for year ended 31 March 2015

	2015 £000	2014 £000
(Loss)/profit after tax for the year	**(250)**	879
Adjustments for:		
Income tax charge	**102**	156
Depreciation and amortisation	**2,616**	2,183
Financial income	**-**	(565)
Financial expense	**1,659**	1,069
Gain on disposal of plant, property and equipment	**13**	-
Changes in working capital		
Decrease/(increase) in trade and other receivables	**53**	(317)
Decrease/(increase) in inventories	**194**	(311)
(Decrease)/increase in trade and other payables	**(423)**	911
Cash generated from operations	**3,964**	4,005
Interest paid	**(374)**	(370)
Income tax paid	**(254)**	(240)
Net cash inflow from operating activities	**3,336**	3,395
Cash flows from investing activities		
Acquisition of subsidiary and fees (net of cash acquired)	**(8,847)**	(1,128)
Acquisition of property, plant and equipment	**(977)**	(1,876)
Development expenditure capitalised	**(250)**	(250)
Proceeds from disposal of property, plant and equipment	**23**	-
Dividend received	**12**	13
Net cash outflow from investing activities	**(10,039)**	(3,241)
Cash flows from financing activities		
Proceeds from the issue of share capital	**4,736**	2,499
Net proceeds from new loan	**5,281**	-
Repayment of borrowings and fees	**(1,700)**	(1,042)
Dividends paid	**(1,075)**	(669)
Net cash inflow from financing activities	**7,242**	788
Increase in cash and cash equivalents	**539**	942
Cash at 1 April 2014	**3,134**	2,735
Overdraft at 1 April 2014	**(3,144)**	(3,687)
Cash and cash equivalents at 31 March 2015	**529**	(10)

Notes

1 Financial information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2015 or 2014. Statutory accounts for 2014 have been delivered to the Registrar of Companies, and those for 2015 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2015.

Going concern

The Financial Reporting Council issued "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies" in October 2009 and the Directors have considered this when preparing the financial statements. These have been prepared on a going concern basis and the Directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate.

The Directors have considered the position of the trading companies in the Group to ensure that these companies are in a position to meet their obligations as they fall due.

There are not believed to be any contingent liabilities which could result in a significant impact on the business if they were to crystallise.

Accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or to the financial statements in general within the next financial year are discussed below:

Intangible assets

The Group recognises intangible assets (other than goodwill) on acquisition and capitalise certain development costs as incurred. Estimates are made in respect of useful lives affecting the carrying value and amortisation charges in respect of these assets. The valuation of intangible assets requires judgements to be made in respect of valuation methods, discount rates, growth rates and future cash flows and the cost of capital. Actual outcomes may vary.

Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. Goodwill is assigned by the Company to its cash-generating units, the allocation of which is a judgement based on the knowledge of the business. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows, growth rates and the choice of a discount rate based on knowledge of the cost of capital in order to calculate the present value of the cash flows. Actual outcomes may vary.

Inventory

The Company reviews the net realisable value of, and demand for, its inventory on a regular basis to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include competitor actions, supplier prices and economic trends.

Exceptional costs, foreign exchange costs and presentation of the financial statements

The Group is required to make judgements in determining its policy for the disclosure and presentation of exceptional costs and foreign exchange costs. These judgements are made in order to facilitate the understanding of the performance of the Group.

Notes *(continued)*

2 Accounting policies

Plastics Capital plc (the "Company") is a public company incorporated in England and Wales, with subsidiary undertakings in the UK, Japan, Thailand, India, China and the United States of America.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies have been applied consistently to all periods presented in these Group financial statements.

3 Exceptional items

Cost of Sales

Included within Cost of Sales are gains of £242,000 in relation to foreign exchange contracts (2014: £114,000).

Administrative expenses

	2015	2014
	£000	£000
Acquisition and fees (i)	**909**	840
Redundancy / recruitment costs (ii)	**114**	242
Company set up costs (iii)	**-**	160
Other	**105**	64
	1,130	1,306

Exceptional costs incurred and included in administrative expenses in the year predominately relate to:

(i) costs associated with acquisition of Flexipol; and
(ii) redundancy and recruitment costs associated with the subsidiaries

Finance expenses

	2015	2014
	£000	£000
Bank refinancing	**-**	260
	-	260

Exceptional costs incurred and included in finance expenses in the prior year relate to the write-off of capitalised deal fees associated with the previous refinancing of the bank debt.

Notes *(continued)*

4 Finance expense (excluding foreign exchange)

	2015	2014
	£000	£000
Bank interest	**374**	377
Amortisation of capitalised deal fees	**106**	169
Unrealised losses on derivatives used to manage interest rate risk	**-**	1
Financial expenses	**480**	547

5 Finance income / costs included within foreign exchange costs

	2015	2014
	£000	£000
Unrealised gains on derivatives used to manage foreign exchange risk	**-**	565
	-	565

	2015	**2014**
	£000	**£000**
Unrealised losses on derivatives used to manage foreign exchange risk	**1,179**	262
	1,179	262

6 Capital and reserves

Share capital

	Ordinary shares of 1p each	
In thousands of shares	**2015**	2014
In issue at 1 April	**30,242**	27,542
Shares issued during the year	**5,103**	2,700
In issue at 31 March – fully paid	**35,345**	30,242

	2015	2014
	£000	£000
Allotted, called up and fully paid		
35,342,532 ordinary shares of 1p each (2014: 30,242,532 ordinary shares of 1p each)	**353**	302
	353	302

Notes *(continued)*

6 Capital and reserves *(continued)*

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement
Translation reserve	The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations
Reverse acquisition reserve	Arises on the reverse acquisition accounting applied to the share for share exchange of Plastics Capital Trading Limited by the Company
Capital redemption reserve	Arises on consolidation of Plastics Capital (Trustee) Limited through purchase of the parent company's shares. The number of Plastics Capital plc shares held by Plastics Capital (Trustee) Limited as at 31 March 2015 was 876,148

7 Earnings per share

	2015	2014
	£000	£000
Numerator		
Earnings used in basic and diluted EPS		
(Loss) / profit for the year from continuing operations	**(250)**	879
(Loss) / profit for the year	**(250)**	879
Denominator		
Weighted average number of shares used in basic EPS *	**31,943,212**	27,549,918
Weighted average number of shares used in diluted EPS *	**32,043,212**	27,549,918

* - excludes shares held by Plastics Capital (Trustee) Limited for the LTIP. Treasury shares are not counted under IAS33.

8 Annual General Meeting

It is intended that the Annual General Meeting ("AGM") will take place at Plastics Capital, London Heliport, Bridges Court Road, London, SW11 3BE on 28 July 2015. Notice of the AGM will be sent to shareholders with the financial statements.