

CFN Packaging Group Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2021

CFN Packaging Group Limited

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CFN Packaging Group Limited

Company Information

Directors B J Yardy
J Alexander

Company secretary J Alexander

Registered office Heath Road
Skegness
Lincolnshire
PE25 3ST

Bankers NatWest Bank plc
Skegness
97 Lumley Road
Skegness
Lincolnshire
PE25 3LY

CFN Packaging Group Limited

(Registration number: 02264841) Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	3	2,445,427	2,294,581
Current assets			
Stocks	4	185,961	264,336
Debtors	5	1,082,775	1,184,459
Cash at bank and in hand		57,623	93,375
		<u>1,326,359</u>	<u>1,542,170</u>
Creditors: Amounts falling due within one year	6	<u>(1,100,122)</u>	<u>(1,206,058)</u>
Net current assets		<u>226,237</u>	<u>336,112</u>
Total assets less current liabilities		2,671,664	2,630,693
Creditors: Amounts falling due after more than one year	6	<u>(1,432,963)</u>	<u>(1,460,583)</u>
Net assets		<u>1,238,701</u>	<u>1,170,110</u>
Capital and reserves			
Called up share capital		836,777	836,777
Capital redemption reserve		28,782	28,782
Other reserves		88,163	88,163
Profit and loss account		284,979	216,388
Shareholders' funds		<u>1,238,701</u>	<u>1,170,110</u>

For the financial year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 20 May 2021 and signed on its behalf by:

.....

J Alexander
Company secretary and director

CFN Packaging Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital incorporated in England & Wales and the company registration number is 02264841.

The address of its registered office is:

Heath Road
Skegness
Lincolnshire
PE25 3ST

These financial statements cover the individual entity, CFN Packaging Group Limited.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 including Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Government grants

Government grant income relating to the Coronavirus Job Retention Scheme, and the small business grant are included as income in the accounting period to which they relates.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

There is no provision for deferred tax within the financial statements. This is because there is no expectation in the long term of disposing of a significant number of assets and causing a material reversal of accelerated capital allowances.

CFN Packaging Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Tangible assets

Tangible assets are stated in the statement of financial position at cost/deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Nil
Plant and machinery	5% on cost
Fixtures and fittings	20% reducing balance
Office equipment	25% on cost
Motor vehicles	25% reducing balance

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

CFN Packaging Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

CFN Packaging Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

3 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2020	718,640	4,584,519	28,575	5,331,734
Additions	-	502,106	-	502,106
Disposals	-	(1,583,006)	-	(1,583,006)
At 31 March 2021	<u>718,640</u>	<u>3,503,619</u>	<u>28,575</u>	<u>4,250,834</u>
Depreciation				
At 1 April 2020	-	3,014,040	23,114	3,037,154
Charge for the year	-	186,704	1,361	188,065
Eliminated on disposal	-	(1,419,812)	-	(1,419,812)
At 31 March 2021	<u>-</u>	<u>1,780,932</u>	<u>24,475</u>	<u>1,805,407</u>
Carrying amount				
At 31 March 2021	<u>718,640</u>	<u>1,722,687</u>	<u>4,100</u>	<u>2,445,427</u>
At 31 March 2020	<u>718,640</u>	<u>1,570,480</u>	<u>5,461</u>	<u>2,294,581</u>

4 Stocks

	2021 £	2020 £
Raw materials and consumables	112,468	161,402
Work in progress	60,260	45,564
Other inventories	13,233	57,370
	<u>185,961</u>	<u>264,336</u>

5 Debtors

	2021 £	2020 £
Trade debtors	977,119	1,109,918
Other debtors	101,561	70,446
Prepayments and accrued income	4,095	4,095
Total current trade and other debtors	<u>1,082,775</u>	<u>1,184,459</u>

CFN Packaging Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	7	137,711	199,084
Trade creditors		674,536	708,681
Taxation and social security		232,114	182,306
Other creditors		24,857	90,243
Accruals and deferred income		30,904	25,744
		<u>1,100,122</u>	<u>1,206,058</u>

Due after one year

Loans and borrowings	7	742,458	467,445
Other non-current financial liabilities		690,505	993,138
		<u>1,432,963</u>	<u>1,460,583</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	7	742,458	467,445
Other non-current financial liabilities		690,505	993,138
		<u>1,432,963</u>	<u>1,460,583</u>

	2021 £	2020 £
After more than five years by instalments	<u>324,777</u>	<u>282,924</u>
	<u>324,777</u>	<u>282,924</u>

7 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	524,259	421,722
Hire purchase contracts	218,199	45,723
	<u>742,458</u>	<u>467,445</u>

CFN Packaging Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	47,463	24,586
Bank overdrafts	-	83,093
HP and finance lease liabilities	90,248	91,405
	<u>137,711</u>	<u>199,084</u>

Bank borrowings

NatWest Bank plc loan is denominated in Sterling with a nominal interest rate of 1%, and the final instalment is due on 31 May 2028. The carrying amount at year end is £421,722 (2020 - £446,308).

A legal charge, debenture charge and guarantee charge over all the assets has been given by the company.

Included in the loans and borrowings are the following amounts due after more than five years:

Bank loans and overdrafts after five years

NatWest Bank Plc loan is denominated in pound sterling with a nominal interest rate and with the final instalment due in May 2028. The carrying amount at the year end is £324,777 (2020: £282,924)

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £6,643 (2020 - £20,302).

9 Related party transactions

Transactions with directors

	At 1 April 2020 £	Advances to directors £	At 31 March 2021 £
2021			
B J Yardy	30,935	23,991	54,926
J Alexander	30,540	7,825	38,365

	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
2020				
B J Yardy	16,679	74,256	(60,000)	30,935

Notes to the Financial Statements for the Year Ended 31 March 2021

10 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2020 - 43).