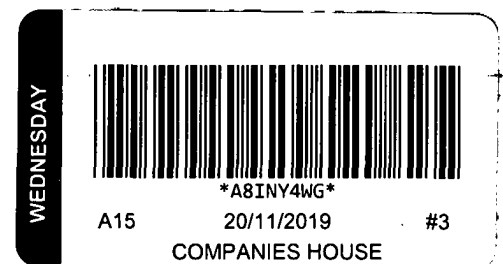


Company Registration No. 00326182 (England and Wales)

**COLPAC LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



# COLPAC LIMITED

## COMPANY INFORMATION

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<b>Director</b>	N V H Goldman
<b>Secretary</b>	O A S K Goldman
<b>Company number</b>	00326182
<b>Registered office</b>	Enterprise Way Maulden Road Flitwick Bedfordshire MK45 5BW
<b>Auditor</b>	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
<b>Bankers</b>	HSBC Bank Plc Cathedral Square Peterborough PE1 1BR

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# COLPAC LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 22

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# COLPAC LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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The director presents the strategic report for the year ended 31 March 2019.

### **Fair review of the business**

The company continues its medium and long-term strategy of substantial investment in the infrastructure of the business as well as in new product research and development in domestic and international markets. Whilst Brexit continues to affect the whole country, Colpac has performed well under difficult circumstances.

As shown in the statement of comprehensive income on page 6, turnover has increased by £8k to £18.225 million (2018: £18.217 million). Administrative expenses continue to remain under tight control and amounted to £2.289 million (2018: £1.987 million) for the year. The profit after tax for the year has reduced by 24% to £600k (2018: £790k).

As shown in the balance sheet on page 7, net assets have increased by 9% to £6.331 million (2018: £5,798 million). Net current assets have increased by 12% to £3.436 million (2018: £3.058 million) primarily in stock due to Brexit preparations.

The company continues to perform well and to increase its range of products and services and is proud to be recognised as one of the leading designers and manufacturers of innovative, environmentally friendly, biodegradable and recyclable paperboard products. Exports have risen, providing stability to the company's sales accounts portfolio as well as limiting foreign exchange exposure. The director is satisfied that the company's financial risks are being correctly managed.

The company finances its investment in plant and machinery by using, where necessary, a combination of long term loans and hire purchase arrangements. The repayment terms are agreed with lenders on a basis designed to provide stability to the company without creating an unnecessary cash flow burden. In addition, the company has bank facilities that are available to provide working capital as required.

The company uses the following key performance indicators, turnover, gross profit, gross profit percentage, bank balance, average number of employees as well as debtor and creditor days.

The director does not anticipate that there will be any fundamental change in the development of the company's business during the coming year.

The investment in intellectual property, machinery and product development should ensure continued growth in sales. Further capital investment will be made in the financial year 2019/2020 to ensure the company continues to meet growing demand from both existing and new customers.

The company operates from a sound financial position and we are encouraged by prospects for the forthcoming year.

On behalf of the board

  
.....  
N V H Goldman

Director

11th November 2019

# COLPAC LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

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The director presents his annual report and financial statements for the year ended 31 March 2019.

#### Principal activities

The principal activity of the company continued to be that of the manufacture of paperboard products.

#### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

N V H Goldman

#### Results and dividends

The results for the year are set out on page 6.

Interim ordinary dividends were paid during the year amounting to £86,400 (2018: £91,400). The director does not recommend payment of a final dividend.


#### Auditor

In accordance with the Company's Articles, a resolution proposing that Mercer & Hole be reappointed as auditors of the company will be put to the Annual General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....  
N V H Goldman

Director

Date: ..... November 11<sup>th</sup> 2019

# **COLPAC LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

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The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# COLPAC LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLPAC LIMITED

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### Opinion

We have audited the financial statements of Colpac Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, 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 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our audit:

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

# COLPAC LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF COLPAC LIMITED

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### 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 Strategic Report and the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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 him 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.

*Mercer & Hole*

Philip Fenn ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Mercer & Hole

*12th November 2019*

Chartered Accountants  
Statutory Auditor

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 2AF



# COLPAC LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

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	Notes	2019 £	2018 £
Turnover	3	18,224,545	18,217,071
Cost of sales		(13,052,592)	(13,174,834)
<b>Gross profit</b>		<u>5,171,953</u>	<u>5,042,237</u>
Distribution costs		(2,276,758)	(2,073,503)
Administrative expenses		(2,289,421)	(1,987,405)
<b>Operating profit</b>	4	<u>605,774</u>	<u>981,329</u>
Interest payable and similar expenses	7	(13,713)	(14,264)
<b>Profit before taxation</b>		<u>592,061</u>	<u>967,065</u>
Tax on profit	8	8,322	(177,025)
<b>Profit for the financial year</b>		<u>600,383</u>	<u>790,040</u>
<b>Other comprehensive income</b>			
Tax relating to other comprehensive income		19,304	8,827
<b>Total comprehensive income for the year</b>		<u><u>619,687</u></u>	<u><u>798,867</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# COLPAC LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		3,603,102		3,371,632
<b>Current assets</b>					
Stocks	12	2,820,355		2,452,214	
Debtors	13	3,920,128		4,011,110	
Cash at bank and in hand		433,468		486,680	
		7,173,951		6,950,004	
<b>Creditors: amounts falling due within one year</b>	14	(3,738,039)		(3,891,589)	
<b>Net current assets</b>			3,435,912		3,058,415
<b>Total assets less current liabilities</b>			7,039,014		6,430,047
<b>Creditors: amounts falling due after more than one year</b>	15		(537,701)		(502,245)
<b>Provisions for liabilities</b>	17		(170,103)		(129,879)
<b>Net assets</b>			6,331,210		5,797,923
<b>Capital and reserves</b>					
Called up share capital	20		20,000		20,000
Revaluation reserve	21		1,355,714		1,336,410
Capital redemption reserve	21		33,393		33,393
Profit and loss reserves	21		4,922,103		4,408,120
<b>Total equity</b>			6,331,210		5,797,923

The financial statements were approved and signed by the director and authorised for issue on 11th November 2019

  
N V H Goldman  
Director

Company Registration No. 00326182

# COLPAC LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		20,000	1,327,583	33,393	3,709,480	5,090,456
<b>Year ended 31 March 2018:</b>						
Profit for the year		-	-	-	790,040	790,040
Other comprehensive income:						
Tax relating to other comprehensive income		-	8,827	-	-	8,827
Total comprehensive income for the year		-	8,827	-	790,040	798,867
Dividends	9	-	-	-	(91,400)	(91,400)
<b>Balance at 31 March 2018</b>		20,000	1,336,410	33,393	4,408,120	5,797,923
<b>Year ended 31 March 2019:</b>						
Profit for the year		-	-	-	600,383	600,383
Other comprehensive income:						
Tax relating to other comprehensive income		-	19,304	-	-	19,304
Total comprehensive income for the year		-	19,304	-	600,383	619,687
Dividends	9	-	-	-	(86,400)	(86,400)
<b>Balance at 31 March 2019</b>		20,000	1,355,714	33,393	4,922,103	6,331,210

# COLPAC LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	681,054		738,692	
Interest paid		(13,713)		(14,264)	
Income taxes paid		(82,885)		(139,568)	
<b>Net cash inflow from operating activities</b>		<b>584,456</b>		<b>584,860</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(331,059)		(316,045)	
Proceeds on disposal of tangible fixed assets		12,500		23,015	
<b>Net cash used in investing activities</b>		<b>(318,559)</b>		<b>(293,030)</b>	
<b>Financing activities</b>					
Repayment of borrowings		-		(289,837)	
Payment of finance leases obligations		(227,709)		(65,463)	
Dividends paid		(91,400)		(86,400)	
<b>Net cash used in financing activities</b>		<b>(319,109)</b>		<b>(441,700)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(53,212)</b>		<b>(149,870)</b>	
Cash and cash equivalents at beginning of year		486,680		636,550	
<b>Cash and cash equivalents at end of year</b>		<b>433,468</b>		<b>486,680</b>	

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Company information

Colpac Limited is a private company limited by shares incorporated in England and Wales. The registered office is Enterprise Way, Maulden Road, Flitwick, Bedfordshire, MK45 5BW.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The director has reviewed the trading and cashflow forecasts for the period to September 2020. Based on these forecasts the director believes the company can continue to meet its obligations as they fall due and that it is therefore appropriate to prepare the financial statements on a going concern basis.

#### 1.3 Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration receivable excluding discounts, rebates and value added tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer, usually on despatch of the goods. Revenue in respect of short term contracts is recognised as contract activity progresses so that amounts recoverable on short term contracts, which are included in debtors, are stated at the net sales value of the work completed after provision for contingencies and anticipated future losses on contracts.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	10% - 33.3% straight line
Motor vehicles	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

*Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.*

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

---

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and hire purchase contracts, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

---

### 1 Accounting policies

(Continued)

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.



# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.14 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded in the accounting records using a standard rate of exchange which is set in advance of the transaction. All differences are taken to the profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Sale of paperboard products	18,224,545	18,217,071
	<u>18,224,545</u>	<u>18,217,071</u>
	2019	2018
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	11,375,034	11,947,469
Europe	5,113,864	4,504,830
Other	1,735,647	1,764,772
	<u>18,224,545</u>	<u>18,217,071</u>

### 4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	52,926	-
Fees payable to the company's auditor for the audit of the company's financial statements	13,750	13,500
Depreciation of owned tangible fixed assets	233,506	241,298
Depreciation of tangible fixed assets held under finance leases	125,609	118,880
Profit on disposal of tangible fixed assets	(7,026)	(20,537)
Cost of stocks recognised as an expense	10,291,145	10,178,451
	<u>10,291,145</u>	<u>10,178,451</u>

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Office and management	68	64
Manufacturing and others	88	69
	<u>156</u>	<u>133</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,986,208	4,849,774
Social security costs	477,342	466,503
Pension costs	149,791	109,599
	<u>5,613,341</u>	<u>5,425,876</u>

### 6 Director's remuneration

	2019 £	2018 £
Remuneration for qualifying services	109,760	91,861
Company pension contributions to defined contribution schemes	24,192	24,192
	<u>133,952</u>	<u>116,053</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

### 7 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,594	716
Interest on finance leases and hire purchase contracts	12,119	13,190
	<u>13,713</u>	<u>13,906</u>
<b>Other finance costs:</b>		
Other interest	-	358
	<u>13,713</u>	<u>14,264</u>

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	54,192	204,927
Adjustments in respect of prior periods	(122,042)	(12,671)
Total current tax	<u>(67,850)</u>	<u>192,256</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	24,091	(15,231)
Adjustment in respect of prior periods	35,437	-
Total deferred tax	<u>59,528</u>	<u>(15,231)</u>
Total tax (credit)/charge	<u>(8,322)</u>	<u>177,025</u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>592,061</u>	<u>967,065</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	112,492	183,742
Tax effect of expenses that are not deductible in determining taxable profit	8,333	956
Effect of change in corporation tax rate	(2,834)	4,998
Under/(over) provided in prior years	(122,042)	(12,671)
Deferred tax adjustments in respect of prior years	35,437	-
R & D tax credit	(39,708)	-
Taxation (credit)/charge for the year	<u>(8,322)</u>	<u>177,025</u>

In addition to the amount (credited)/charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2019 £	2018 £
Deferred tax arising on: Revaluation of property	<u>(19,304)</u>	<u>(8,827)</u>

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 9 Dividends

	2019 £	2018 £
Interim paid	86,400	91,400

#### 10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2018	2,141,875	4,698,808	893,373	84,305	7,818,361
Additions	6,362	500,822	38,145	50,730	596,059
Disposals	-	-	-	(24,630)	(24,630)
At 31 March 2019	2,148,237	5,199,630	931,518	110,405	8,389,790
<b>Depreciation and impairment</b>					
At 1 April 2018	430,815	3,222,110	750,652	43,152	4,446,729
Depreciation charged in the year	30,975	251,382	44,204	32,554	359,115
Eliminated in respect of disposals	-	-	-	(19,156)	(19,156)
At 31 March 2019	461,790	3,473,492	794,856	56,550	4,786,688
<b>Carrying amount</b>					
At 31 March 2019	1,686,447	1,726,138	136,662	53,855	3,603,102
At 31 March 2018	1,711,060	1,476,698	142,721	41,153	3,371,632

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2019 £	2018 £
Plant and machinery	931,831	55,661
Fixtures, fittings & equipment	-	14,063
	931,831	69,724

The freehold land and buildings were revalued on 18 February 2014 by Messrs Kirkby & Diamond (RICS), an external valuer, at £1,800,000 on an open market basis. At 31 March 2019 the director performed an interim valuation of the freehold land and buildings and in his opinion, the market value was not materially different to the book value, so no adjustment to the carrying value was required. On a historical costs basis the freehold land and buildings would have been included at a cost of £756,270 (2018: £756,270) with the cumulative depreciation being £532,364 (2018: £517,239).

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

<b>11</b>	<b>Financial instruments</b>		<b>2019</b>	<b>2018</b>
			£	£
	<b>Carrying amount of financial assets</b>			
	Debt instruments measured at amortised cost		3,061,507	2,994,597
			<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		2,898,434	2,969,748
			<u>          </u>	<u>          </u>
<b>12</b>	<b>Stocks</b>		<b>2019</b>	<b>2018</b>
			£	£
	Raw materials and consumables		820,151	764,770
	Work in progress		141,273	123,749
	Finished goods and goods for resale		1,858,931	1,563,695
			<u>          </u>	<u>          </u>
			2,820,355	2,452,214
			<u>          </u>	<u>          </u>
<b>13</b>	<b>Debtors</b>		<b>2019</b>	<b>2018</b>
			£	£
	<b>Amounts falling due within one year:</b>			
	Trade debtors		2,998,875	2,990,654
	Gross amounts owed by contract customers		678,838	808,783
	Other debtors		62,632	3,943
	Prepayments and accrued income		179,783	207,730
			<u>          </u>	<u>          </u>
			3,920,128	4,011,110
			<u>          </u>	<u>          </u>
<b>14</b>	<b>Creditors: amounts falling due within one year</b>		<b>2019</b>	<b>2018</b>
			£	£
		<b>Notes</b>		
	Obligations under finance leases	<b>16</b>	171,246	169,411
	Trade creditors		2,189,487	2,293,092
	Corporation tax		54,192	204,927
	Other taxation and social security		116,630	129,116
	Dividends payable		-	5,000
	Accruals and deferred income		1,206,484	1,090,043
			<u>          </u>	<u>          </u>
			3,738,039	3,891,589
			<u>          </u>	<u>          </u>

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 15 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	16	537,701	502,245

### 16 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	171,246	169,411
In two to five years	537,701	448,116
In over five years	-	54,129
	<u>708,947</u>	<u>671,656</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 17 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	170,103	129,879

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Capital allowances in advance of depreciation	163,103	103,758
Revaluations	8,098	27,402
Other timing differences	(1,098)	(1,281)
	<u>170,103</u>	<u>129,879</u>

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

18 Deferred taxation	(Continued)
	2019
<b>Movements in the year:</b>	<b>£</b>
Liability at 1 April 2018	129,879
Charge to profit or loss	59,528
Credit to other comprehensive income	(19,304)
Liability at 31 March 2019	<u>170,103</u>

The deferred tax liability set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature over the same period.

19 Retirement benefit schemes	2019	2018
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	<u>149,791</u>	<u>109,599</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital	2019	2018
	£	£
<b>Ordinary share capital Issued and fully paid</b>		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

### 21 Reserves

#### Revaluation reserve

This reserve represents the increase in the carrying value of the freehold land and buildings to the revalued amount.

#### Capital redemption reserve

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

#### Profit and loss reserves

This reserve records the amount of profits after tax retained by the company and not paid out as dividends.

# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 22 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	37,000	37,000
Between two and five years	27,750	175,750
	<u>64,750</u>	<u>212,750</u>

### 23 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	527,311	593,911

### 24 Directors' transactions

Dividends totalling £69,120 (2018 - £76,167) were paid in the year in respect of shares held by the company's directors.

### 25 Ultimate controlling party

N V H Goldman is the ultimate controlling party, by virtue of his shareholding.



# COLPAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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26 Cash generated from operations	2019 £	2018 £
Profit for the year after tax	600,383	790,040
<b>Adjustments for:</b>		
Taxation (credited)/charged	(8,322)	177,025
Finance costs	13,713	14,264
Gain on disposal of tangible fixed assets	(7,026)	(20,537)
Depreciation and impairment of tangible fixed assets	359,115	360,178
<b>Movements in working capital:</b>		
(Increase) in stocks	(368,141)	(748,054)
Decrease/(increase) in debtors	90,982	(789,149)
Increase in creditors	350	954,925
<b>Cash generated from operations</b>	<u>681,054</u>	<u>738,692</u>