Company Registration No. 0400002

First Circle Packaging Limited

Annual report and Financial Statements

30 September 2020

First Circle Packaging Limited

Report and financial statements 2020

Contents

Page

First Circle Packaging Limited

Report and financial statements 2020

Officers and professional advisers

Directors

Daniel Goldstein
Samuel Hancock
Marc Meyohas
Christopher Phelan
Craig Malloy

Registered office

Jenna Way
Interchange Park
Newport Pagnell
Buckinghamshire
MK16 9QJ

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Auditor

Haysmacintyre LLP
Statutory Auditor
London
United Kingdom

First Circle Packaging Limited

Strategic report

Principal activities

The company's principal activity is the manufacture of blow moulded plastic containers within the United Kingdom and Ireland.

On 13 December 2019 the company was sold by Nampak Holdings (UK) Limited to Bellcave Limited, a company incorporated in the United Kingdom. On 7 October 2020, the name of the company was changed from Nampak Plastics Europe Llimited to First Ciurcle Packaging Llimited. There has been no change in the principal operations of the business.

Business review

The business made a profit for the financial year of £7,630,000 (2019: loss of £25,915,000) primarily due to the profit on disposal of £13,069,000 realised on the sale and leaseback of its main operating site in Newport Pagnell, which is offset against the operating loss of £5,165,000.

A business turnaround plan was implemented immediately on purchase of the company by Bellcave. The plan contains a series of initiatives designed to increase profitability. These initiatives include improving operational efficiency, reducing employee costs, renegotiating contracts with customers and suppliers, and pursuing product diversification opportunities.

The company has achieved significant cost savings in the period between takeover and accounts signing date due to these initiatives and continues to work on completing the remaining projects, forecasting an expected return to profitability from FY22.

During the current financial year total revenue declined by 27.1% to £38,780,000 (2019: £53,170,000). The main drivers for the decline were the loss of volumes relating to the sale of two sites to a customer in the prior year and a downturn in demand caused by the COVID-19 pandemic.

Gross profit has increased from £3,435,000 to £5,955,000 reflecting both an improvement in production efficiency and a waiver of £1,800,000 of polymer costs incurred during the year by Nampak Group on sale of the business.

During the year an impairment in respect of fixed assets of £4,912,000 (2019: £11,406,000) was recognised on plant and machinery at three sites that are currently loss-making.

The balance sheet shows that the company's net liabilities have reduced by £356,000 to £(7,696,000). Tangible fixed assets have decreased by £2,818,000 as the investment in the new machinery is offset by disposals associated with the sale and leaseback and impairments noted above. Stock, debtors and payables have all decreased primarily due to the impact of the company's reduction in revenue.

Principal risks and uncertainties

The company's principal risk relates to the turnaround of the business performance. To mitigate this risk, following the sale of the company the business has successfully executed a number of actions to reduce costs and arrest the losses, and continues to work on the remaining initiatives, as well as exploring a number of new opportunities.

The company's cashflow position is also considered to be a key risk whilst the turnaround plan is being concluded.

During the year the company completed the sale and leaseback of its Newport Pagnell operating site with the proceeds of £15.7m (before costs) expected to provide sufficient funding for the company to return to profitability and generate positive cash flow.

COVID-19 is affecting all businesses on a macro scale and creating heightened uncertainty. Managment have reviewed potential likely scenarios on the impact of COVID-19 to ensure adequate contingency plans are in place. First Circle operates within a key manufacturing industry, meaning the business has been comparatively less affected by the pandemic than other industries. Consumption of milk through supermarkets has remained generally consistent to pre-COVID-19 levels and only non-essential products such as flavoured milk containers have significantly reduced in demand, such products being a small proportion of the business.

Strategic report (continued)

The company's workforce is broadly split into key workers and those able to work remotely and therefore there has been limited effect of the pandemic on day to day operations or retention of key staff. Management believe that the worst case scenario of any ongoing or increased COVID-19 cases and associated business interruptions will be a reduction in volumes to similar levels experienced at the height of the pandemic.

Following the sale and leasback transaction, the directors are satisfied that the company has sufficient cash reserves to continue trading for a period of at least 12 months from the date of approval of these financial statements and accordingly continue to prepare the financial statements on a going concern basis.

Environment & Sustainability

Our sustainability goals focus on three core areas, driving a circular economy, reducing carbon emissions and communication.

We reduced the number of road miles travelled by being closer to the customers now serviced from our Livingston facility, and through a self sufficiency project at our London in-plant reducing the reliance on delivered support from our main production facility.

With the increasing challenges to our climate and the negative public perception of plastics, it is imperative that we communicate honestly and credibly. We commissioned an independent Life Cycle Impact Assessment for milk packaging formats that provides scientific grounding for this purpose. The study concluded that HDPE packaging for the UK milk market had the lowest impact on the environment compared to other formats, whether doorstep delivery or the supermarket.

We have several major projects underway that will see our carbon emissions significantly reduced over coming years through technological advances and sourcing policies. We strive to operate with zero waste to landfill at all our facilities.

The Company used 27,100,000 kWh of elelctricity during the year and total CO_2 emissions were 6,943tCO_2e. An intensity ratio of carbon dioxide equivalent per tonne production has been selected being 0.381 for the year ending 30 September 2020.

Section 172 Statement

Under section 172 of the Companies Act a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high stantards of business conduct, and
- The need to act fairly as between members of the company

Employees

Engagement with our people starts from the board and is driven effectively throughout the company by a structure which is continually reviewed and developed.

The company is an equal opportunity employer and its policy is that disabled persons should be considered for all job vacancies and subsequent career and promotional opportunities, on the basis of aptitude and ability. Staff consultation on issues affecting them and the business has continued to take place through quarterly briefing meetings as well as by formal and informal meetings with management. The company is recognised as an investor in people as well as a CIPD award winner.

First Circle Packaging Limited

Strategic report (continued)

Suppliers

Our suppliers are key to the effective running of the business. We have developed long term relationships with our supplier base and have regular communication with our suppliers to ensure the needs of both parties are being properly supported.

Customers

We have a regular and stable customer base, many of whom have we have worked with for a number of years. We ensure that we are transparent with the information that is provided and ensure that concerns are dealt with in a timely and professional manner.

Future Developments

The company is focusing on streamlining and rationalising its product base to improve operational efficiencies. The business is also looking at robotics to improve processes by driving efficiencies, mitigating human error and reducing waste production, energy consumption and simplifying packaging and handling processes.

The company is currently negotiating deals for growth opportunities outside of the dairy industry and will continue to explore diversification opportunities.

Approved by the Board of Directors and signed on behalf of the Board

C Malloy
Director
26 March 2021

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2020. The Company has chosen, in accordance with section 414 C (11) of the Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which would otherwise be required to be disclosed in the Directors' Report.

Directors

The directors who held office throughout the year and to the date of the report except as noted were as follows:

Daniel Goldstein (appointed on 13 December 2019)
Samuel Hancock (appointed on 13 December 2019)
Marc Meyohas (appointed on 13 December 2019)
Christopher Phelan (appointed on 13 December 2019)
Craig Malloy (appointed on 2 October 2020)
A Mitterer (resigned on 23 December 2019)
L Haggett (resigned on 23 December 2019)
A De Ruyter (resigned on 13 December 2019)
G R Fullerton (resigned on 13 December 2019)
Alan Howie (resigned on 13 December 2019)
Mitchell Williams (resigned on 23 July 2020)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Branches

The company has a branch in the Republic of Ireland through which it provides services to a customer in the dairy sector in Ireland.

Financial risk management and objectives

The company's activities expose it to a number of risks including credit risk, liquidity risk and cash flow risk. The company does not use financial derivatives to manage these risks. The measures in place and associated considerations are set out below.

Credit risk

The company's principal financial assets are cash and trade. Credit risk is primarily attributable to cash at bank and trade debtors. The company seeks to minimise exposure on trade debtors by issuing regular invoices and enforcing credit terms. The credit risk on cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity and cash flow risk

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations, the company regularly forecasts its cash requirements and ensures payment terms with customers and suppliers are agreed. As noted above the company has taken steps to reduce its costs and therefore improve cashflow.

Directors' report (continued)

Going concern

The directors' assessment on going concern is set out in note 1 to the financial statements.

Strategic report

Disclosure has been made in the Strategic Report regarding principal risks and uncertainties, future developments, employees and the environment.

Dividends

The directors did not propose a dividend in the current accounting period (2019: £nil).

Post balance sheet events

An arm's length secured working capital facility of £2m was provided by the company in February 2021 to Oryad Limited, a company owned and controlled by the company's ultimate shareholder. The facility earns interest at 6% per annum and is expected to be repaid in 2022.

Disclosure of information to auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board on 26 March 2021.

C Malloy
Director

First Circle Packaging Limited

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of First Circle Packaging Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of First Circle Packaging Limited ("the Company") for the year ended 30 September 2020, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statements of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 30 September 2020 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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of these matters.

Other information

The directors are 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 respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the member of First Circle Packaging Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

S. Wilks

Simon Wilks (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London,
EC4R 1AG

Date:

26 March 2021

First Circle Packaging Limited

Profit and loss account
Year ended 30 September 2020

	Note	2020 £'000	2019 £'000
Turnover	2	38,780	53,170
Cost of sales		(32,825)	(49,735)
Gross profit		5,955	3,435
Distribution costs		(6,318)	(7,614)
Administrative costs		(7,392)	(6,717)
Other operating income	6	7,514	5
Other operating expenses:			
Restructuring costs		(2,687)	(1,314)
Impairment of assets	3	(2,237)	(11,406)
Guaranteed Minimum Pension equalisation		-	(2,148)
Operating loss		(5,165)	(25,759)
Profit / (loss) on sale of fixed assets	10	13,069	(165)
Interest payable and similar costs	5	(303)	-
Interest receivable and similar income	4	27	9
Profit / (Loss) before taxation		7,628	(25,915)
Taxation	9	2	-
Profit / (Loss) for the financial year		7,630	(25,915)

All of the results are derived from continuing operations.

First Circle Packaging Limited

Statement of comprehensive income
Year ended 30 September 2020

	2020 £'000	2019 £'000
Profit / (Loss) for the year	7,630	(25,915)
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on defined benefit pension schemes	(2,083)	(2,071)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(329)	56
Other comprehensive loss for the year	(2,412)	(2,015)
Total comprehensive gain / (loss) attributable to equity shareholders	5,218	(27,930)

First Circle Packaging Limited

Balance sheet
At 30 September 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	10	3,333	6,151
		3,333	6,151
Current assets			
Stocks	12	1,175	1,229
Debtors – amounts falling due within one year	11	11,596	22,767
Cash at bank and in hand		14,946	1,897
		27,717	25,893
Current liabilities			
Trade and other payables	13	(10,140)	(10,905)
Provisions	14	-	(239)
		(10,140)	(11,144)
Net current assets		17,577	14,749
Total assets less current liabilities		20,910	20,900
Non-current liabilities			
Retirement benefit obligations	19	(28,606)	(28,952)
Net liabilities		(7,696)	(8,052)
Capital and reserves			
Called up share capital	17	1	4,863
Share Premium	16	21,496	21,496
Retirement benefit reserve	16	(48,515)	(46,432)
Translation reserve	16	(1,018)	(689)
Profit and loss account	16	20,340	12,710
Total shareholder's deficit		(7,696)	(8,052)

These financial statements of First Circle Packaging Limited, registered number 0400002, were approved by the Board of Directors on 26 March 2021.

Signed on behalf of the Board of Directors

C Malloy
Director

First Circle Packaging Limited

Statement of changes in equity
Year ended 30 September 2020

	Share capital £'000	Capital reserves £'000	Retirement benefit reserve £'000	Profit and loss account £'000	Translation reserve £'000	Total £'000
Balance at 30 September 2018	4,863	21,496	(44,361)	38,625	(745)	19,878
Loss for the year	-	-	-	(25,915)	-	(25,915)
Other comprehensive loss for the year (net)	-	-	(2,071)	-	56	(2,015)
Balance at 30 September 2019	4,863	21,496	(46,432)	12,710	(689)	(8,052)
Profit for the year	-	-	-	7,630	-	7,630
Other comprehensive loss for the year (net)	-	-	(2,083)	-	(329)	(2,412)
Share cancellation	(4,862)	-	-	-	-	(4,862)
Balance at 30 September 2020	1	21,496	(48,515)	20,340	(1,018)	(7,696)

First Circle Packaging Limited

Statement of cashflows
Year ended 30 September 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Profit / (loss) for the financial year		7,630	(25,915)
Adjustments for:			
Depreciation of fixed assets		702	1,728
Impairment of fixed assets	10	2,237	11,406
(Profit) / loss on disposal of fixed assets		(13,069)	165
Waiver of amount due to the shareholder	6	(4,862)	-
Net interest payable/(receivable)		276	(9)
Taxation credit		(2)	-
Difference between net pension expense and cash contribution	19	(2,429)	(871)
Decrease in trade and other debtors		11,171	18,268
Decrease in stocks		54	234
Decrease in trade and other creditors		(765)	(607)
Decrease in provisions		(239)	(597)
Foreign exchange		(329)	56
Cash from operations		375	3,858
Taxation received		2	-
Net cash generated from operating activities		377	3,858
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		15,726	2,580
Purchases of tangible fixed assets	10	(2,778)	(8,578)
Interest received		27	9
Net cash generated from investing activities		12,975	(5,989)
Cash flows from financing activities			
Interest Paid	5	(303)	-
Net cash generated from financing activities		(303)	-
Net increase in cash and cash equivalents		13,049	(2,131)
Cash and cash equivalents at beginning of year		1,897	4,028
Cash and cash equivalents at end of year		14,946	1,897

Net funds is comprised of cash at bank and in hand at both 30 September 2019 and 2020.

First Circle Packaging Limited

Notes to the financial statements
Year ended 30 September 2020

1. Accounting policies

The company is private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Details of the significant judgements and estimates are provided below.

Going concern

There is an assumed risk to going concern given the entity's recent trading losses and also due to the significant pension deficit funding that is required. To mitigate this, since the year-end the company has successfully implemented a number of initiatives to arrest the losses being generated which include renegotiating contracts with customers and suppliers, improving operational efficiency and reducing employee costs. Management are also working on further opportunities that are expected to return the business to profitability within the next financial years.

In June 2020 the business sold and leased back the Newport Pagnell operating site for cash consideration, before costs, of £15.6m. Cash flow has been forecast both on a short and a long term basis, taking into consideration the estimated impact of COVID-19. The company operates within a key manufacturing industry, meaning the business has been comparatively less affected by the pandemic than other industries. Consumption of milk through supermarkets has remained generally consistent to pre-COVID-19 levels and only non-essential products have significantly reduced in demand, such products being a small proportion of the business. The company's workforce is broadly split into key workers and those able to work remotely and therefore there has been limited effect of the pandemic on day to day operations or retention of key staff. Management believe that the worst case scenario of any ongoing or increased COVID-19 cases and associated business interruptions will be a reduction in volumes to similar levels experienced at the height of the pandemic.

Following the sale and leasback transaction, the directors are satisfied that the company has sufficient cash reserves to continue trading for a period of at least 12 months from the date of approval of these financial statements and accordingly continue to prepare the financial statements on a going concern basis.

Revenue

Revenue from the sales of goods is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Company defers recognition of revenue until the right to return has lapsed. However, where high volumes of sales are made to established wholesale customers, revenue is recognised in the period where the goods are delivered less an appropriate provision for returns based on past experience.

Notes to the financial statements (continued)
Year ended 30 September 2020

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold property	–	over fifty years
Plant and machinery	–	Between three to fifteen years

The gain or loss arising on the disposal or retirement of a tangible fixed asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of tangible fixed assets

Impairment tests on tangible fixed assets are only performed if there is an impairment indicator. At each balance sheet date, the company reviews the carrying amounts of its tangible fixed 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. Future cash flows are based on management's estimate of future market conditions. 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. Impairment tests are based on information available at the time of testing. These conditions may change after year-end.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

1. **Accounting policies (continued)**

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs.

Onerous leases

Where the unavoidable costs as lessee of an operating lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Sale and leaseback (as lessee)

When a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are deferred and presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

The difference between the fair value of the assets held in the Company's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Company's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is 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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Translation reserve includes foreign exchange gain on loss on translation of the foreign branch into the presentational currency
- Retirement benefit reserve represents cumulative actuarial losses on the definet benefit pension scheme

Foreign currencies

Transactions in foreign currency are recorded at the rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date, or at rates specified in forward contracts where these are in place. These translation differences are recognised in profit and loss.

Income and expense items of overseas branches are translated at the average rate of exchange for the period and exchange differences, together with those arising on the retranslation of net assets of overseas branches at period end rates, are recorded in other comprehensive income and accumulated in equity.

Provisions for liabilities

Provisions for liabilities are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

1. Accounting policies (continued)

Government grants

Grants of a revenue nature are recognised within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The group has not directly benefited from any other forms of government assistance.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are dealt with separately below).

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments, as follows:

Retirement benefit obligations

The accounting cost of the retirement benefits and and the present value of the retirement benefit liability are inherently linked to assumptions made about the discount rate applied and expected future inflation rates and demographic changes. The assumptions reflect historical experience and the Company's judgement regarding future expectations. Information regarding the changes made to past assumptions and sensitivity over these has been set out in note 19.

Impairment of fixed assets

The Company has performed an impairment test for tangible fixed assets in light of the losses which are an indicator that their carrying amounts may not be recoverable. Impairment testing requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they are forecast to generate.

Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including management's expectations of growth in EBITDA, calculated as operating profit before depreciation and amortisation, the timing and amount of future capital expenditure, long-term growth rates, and appropriate discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the EBITDA and growth rate assumptions and the discount rate used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence reported assets and profits or losses.

As a result of this review, the Company has recorded an impairment charge of £2,237,000.

Notes to the financial statements (continued)
Year ended 30 September 2020

2. Turnover

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

	2020 £'000	2019 £'000
Revenue derived from UK operations	34,986	48,881
Revenue derived from European operations	3,730	4,289
Revenue derived from outside Europe	64	-
	38,780	53,170

Turnover represents the amounts charged for goods and services to customers after deducting credits and excluding VAT. Activities relate to the manufacturing and sale of blow moulded plastic containers. All turnover is derived from continuing operations.

3. Impairment of assets

During the year the company recorded impairments against the carrying value of a number of assets. An impairment charge in respect of fixed assets of £2,237,000 (2019: £11,406,000) was recognised in the year which relates to plant and machinery at a number of sites.

The impairment charge was recorded as the income forecast to be generated from the sites over the remaining period of use together with the sale price for the assets, was lower than the carrying value of the plant and machinery.

4. Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable on intra group loans	-	8
Other interest receivable	27	1
	27	9

5. Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest payable on bank loans	303	-
	303	-

Interest was payable on a bridging loan of £5,000,000 drawn down and repaid in the year. The provider of the loan held a charge over the property at Newport Pagnell which was satisfied on repayment.

6. Profit before taxation

Profit / (loss) for the year has been arrived at after charging/(crediting):

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets (note 10)	702	1,728
(Gain) / loss on disposal of tangible fixed assets	(13,069)	165
Impairment of tangible fixed assets (note 10)	2,237	11,406
Restructuring costs	2,720	1,314
Research and development costs	201	102
Rentals under operating leases		
- plant and machinery	115	103
- other	11	11
Staff costs (note 8)	8,938	10,372
Cost of stock recognised as an expense	20,289	30,764
Cost of materials purchased waived by previous owner	(1,800)	-
Foreign currency (gain) / loss	(296)	71
Government grants – furlough	(30)	-
Pension scheme contributions received from previous owner	(2,175)	-
Waiver of amount due to shareholder	(4,862)	-

The company was purchased by Bellcave Limited on 13 December 2019 from the Nampak Group.

On that date and as part of the sale agreement Nampak Group waived £1,800,000 of costs relating to material purchases made by the company. This amount has been shown as a reduction in Cost of Sales. Additionally as part of the agreement Nampak Group committed to covering the defined benefit pension funding contributions for the period from January to December 2020. This amounted to £2,175,000 during the year and has been included within other operating income.

On 14 August 2020 the company passed a special resolution reducing the share capital from £4,863,028 to £1,000 by cancelling and extinguishing 48,620,280 issued ordinary shares of 10 pence each.

The amount by which the company's capital was reduced became payable to Bellcave Limited but was immediately waived by it. The waiver of the amount due has been included in other operating income.

	2020 £'000	2019 £'000
Auditor's remuneration		
Fees payable to the company's auditors for the audit of the company's annual financial statements	59	96
Non-audit fees	-	-

Notes to the financial statements (continued)
Year ended 30 September 2020

7. Information regarding directors' remuneration and transactions

	2020 £'000	2019 £'000
Directors' remuneration		
Salary	334	352
Bonus	50	158
Benefits	30	44
Pension contributions	23	25
Compensation for loss of office	277	-
	714	579
Remuneration of the highest paid director		
Emoluments (excluding pension contributions)	224	261
Pension contributions	8	11
	232	272
Number of directors to whom retirement benefits are accruing under money purchase section	5	3

8. Information regarding staff costs and numbers

	2020 £'000	2019 £'000
Staff costs during the year including executive directors		
Wages and salaries	7,966	9,081
Social security costs	735	1,018
Pension costs (note 19)	237	273
	8,938	10,372

	No.	No.
Employed administration staff	35	49
Employed production staff	218	261
Average monthly number of employees (including executive directors):	253	310

Key management personnel are considered to be the Directors of the business and as such their remuneration has been set out in note 7.

Notes to the financial statements (continued)
Year ended 30 September 2020

9. Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax charge	-	-
Adjustment in respect of prior years	(2)	-
Total current tax	(2)	-
Deferred tax (note 15)		
Total deferred tax	-	-
Tax charge for the year	(2)	-

Factors affecting the tax charge for the current year

The tax charge is different to that resulting from applying the standard rate of corporation tax in the UK of 19% (2019: 19%) and this is due to the factors set out below:

	2020 £'000	%	2019 £'000	%
Profit / (Loss) before tax	7,628	100.0	(25,915)	100.0
Tax at the corporation tax rate of 19% (2019: 19%)	1,449	19.0	(4,924)	19.0
Effect of expenses not deductible for tax purposes	177	2.3	2,352	(9.1)
Fixed asset differences	(1,334)	(17.5)	-	-
Tax losses and other temporary differences not recognised	(292)	(3.8)	2,572	(9.9)
Adjustment in respect of prior years	(2)	0.0	-	-
Income tax credit and effective tax rate	(2)	0.0	-	-

Factors that may affect future tax charges

In the Budget announcement on 3 March 2021, the Chancellor announced the intention to increase the main rate of UK corporation tax to 25% for the financial year beginning 1 April 2023. This was not substantively enacted at the balance sheet date.

Deferred tax at the balance sheet date has been measured using the enacted tax rate of 19% (2019: 17%) in these financial statements.

Notes to the financial statements (continued)
Year ended 30 September 2020

10. Property, plant and equipment

	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost:			
At 1 October 2019	3,850	73,599	77,449
Additions	-	2,778	2,778
Disposals	(3,850)	(2,936)	(6,786)
At 30 September 2020	-	73,441	73,441
Accumulated depreciation:			
At 1 October 2019	1,565	69,733	71,298
Charge for the year	48	654	702
Impairment	-	2,237	2,237
Disposals	(1,613)	(2,517)	(4,129)
At 30 September 2020	-	70,108	70,108
Net book value:			
At 30 September 2020	-	3,333	3,333
At 30 September 2019	2,285	3,866	6,151

During the year the company received consideration of £15,662,000 from the sale and leaseback of a property.

The company also disposed of other plant and machinery in the year.

This has resulted in a £13,069,000 gain after the costs of disposal.

Notes to the financial statements (continued)
Year ended 30 September 2020

11. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade receivables	8,466	12,121
Amounts owed by group undertakings	-	6,293
Other receivables	2	64
Prepayments and accrued income	3,128	4,289
	11,596	22,767

The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade debtors was £10,000 (2019 - reversal of £36,000).

12. Stocks

	2020 £'000	2019 £'000
Raw materials	793	950
Finished goods	382	279
	1,175	1,229

13. Trade and other payables

	2020 £'000	2019 £'000
Trade payables	4,105	4,519
Amounts owed to group undertakings	-	1,847
Other taxes and social security costs	1,367	275
Other payables and accruals	4,668	4,264
	10,140	10,905

Notes to the financial statements (continued)
Year ended 30 September 2020

14 Provisions

	Restructuring £'000	Total £'000
At 1 October 2019	239	239
Utilisation of provision	(239)	(239)
At 30 September 2020	-	-

	2020 £'000	2019 £'000
Current	-	239
	-	239

The restructuring provision in 2019 related to reorganisation costs connected to the closure of a former manufacturing plant. It represented the costs expected to complete the closure process and was fully utilised within the year.

15. Deferred tax

The following are the major deferred tax (assets) and liabilities recognised by the company, and the movements thereon during the current year:

	Retirement benefit £'000	Accelerated tax depreciation £'000	Held over capital gains (net) £'000	Tax losses £'000	Short-term timing differences £'000	Total £'000
As at 30 September 2019 and 30 September 2020	-	-	-	-	-	-

The Company has total unrecognised deferred tax assets relating to tax losses of £4,682,000 (2019: £3,440,000), relating to short term timing differences of £5,466,000 (2019: £5,061,000) and relating to fixed assets of £3,389,000 (2019: £3,440,000).

A deferred tax asset has not been recognised in respect of these items due to the uncertainty as to whether future taxable profit will be available to utilise these losses.

16. Reserves

The share premium account contains the premium arising on issue of equity shares, net of issue costs.

Profit and loss account contains net historic profits made by the company.

Translation reserve contains net foreign exchange movements on translation of a foreign branch into reporting currency.

Retirement benefit reserve contains historic net losses on remeasurement of the defined benefit pension scheme taken through other comprehensive loss.

17. Called up share capital

	No. of Shares	£'000
Allotted and fully paid up £0.10 Ordinary Shares:		
Balance at 1 October 2019	48,630,280	4,863
Share cancellation	(48,620,280)	(4,862)
Balance at 30 September 2020	10,000	1

On 14 August 2020, the company passed a special resolution reducing the share capital from £4,863,028 to £1,000 by cancelling and extinguishing 48,620,280 issued ordinary shares of 10 pence each. The amount by which the company's capital was reduced became payable to Bellcave Limited but was immediately waived by it.

18. Capital commitments

	2020 £'000	2019 £'000
Contracted for but not provided for in the financial statements	185	932

19. Retirement benefit obligations

Defined contribution plan

The company offers defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the company in funds under the control of the trustees. Where employees leave the plan prior to vesting fully in the contributions, the contributions payable by the company are reduced by the amount of the forfeited contributions.

The total expense recognised in the income statement of £237,000 (2019: £239,000) represents contributions payable to the plan by the company at rates specified in the rules to the plan.

Defined benefit plan

The company sponsors the Nampak Staff Pension Plan ("the Plan") which is a funded defined benefit arrangement for qualifying employees. The Plan previously consisted of 2 sections (the "Staff Section" and the "Works section") although the Plan was de-sectionalised with effect from 30 September 2017. There is a trustee administered fund holding the pension scheme assets to meet long-term pension scheme liabilities for some 1,362 past and present employees, as at 5 April 2019. The defined benefit plan is closed to new entrants.

Notes to the financial statements (continued)
Year ended 30 September 2020

19. Retirement benefit obligations (continued)

The level of retirement benefit is principally based on salary earned in the last three years of employment prior to leaving active service and is linked to changes in inflation up to retirement.

The Plan is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

The trustees of the Plan are required to act in the best interests of the Plan's beneficiaries. The appointment of trustees is determined by the Plan's trust documentation. It is a requirement that at least one third of all trustees should be nominated by the members.

The last full actuarial valuation was carried out as at 5 April 2019 in accordance with the scheme funding requirements of the Pensions Act 2004, and the funding of the Plan was agreed between the company and the trustees in line with those requirements. These in particular require the surplus / deficit to be calculated using prudent, as opposed to best estimate, actuarial assumptions.

As at 5 April 2019, the actuarial valuation results revealed that the Plan had a funding deficit of £(42,625,000). The company agreed with the trustees that it would aim to eliminate the deficit over the period to 5 April 2036 through annual contributions of £2,900,000. In addition and in accordance with the actuarial valuation, the company agreed that it would meet the expenses of the Plan and levies to the Pension Protection Fund. The contributions payable by the company will be reviewed as part of the actuarial valuation as at 5 April 2022.

A full actuarial valuation of the defined benefit scheme was carried out at 5 April 2019 and updated to 30 September 2020 by a qualified independent actuary. Contributions to the scheme are made by the group based on a funding plan agreed with the trustee determined using the advice of the actuary and with the aim of making good the deficit over the remaining working life of the employees. There have been no changes in the valuation methodology adopted for this period's disclosure compared to the previous period's disclosures.

The present value of the Plan liabilities is measured by discounting the best estimate of future cash flows to be paid out of the Plan using the projected unit method. The value created in this way is reflected in the net liability in the balance sheet as shown in the tables below.

The projected unit credit method is an accrued benefits valuation method in which allowance is made for projected earnings increases. The accumulated benefit obligation is an alternative measure of plan liabilities, whose calculation differs from that under the projected unit credit method in that it includes no assumptions for future earnings increases. In assessing this figure for the purpose of these disclosures, allowance has been made for future statutory revaluation of benefits up to retirement. At the balance sheet date the accumulated benefit obligation was £132,580,000 (2019 - £132,343,000).

All actuarial gains and losses are recognised in the year in which they occur in other comprehensive income.

The amount recognised in the balance sheet in respect of the company's Plan is as follows:

	2020 £'000	2019 £'000
Present value of funded obligations	132,580	132,343
Fair value of plan assets	(103,974)	(103,391)
Deficit in the scheme	28,606	28,952

Notes to the financial statements (continued)
Year ended 30 September 2020

19. Retirement benefit obligations (continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	30 September 2020	30 September 2019
Inflation (RPI)	3.10%	3.20%
Inflation (CPI)	2.20%	2.30%
Rate of general long-term increase in salaries	2.20%	2.30%
Allowance for pensions in payment increases (LPI)	1.90-3.00%	1.95%-3.10%
Discount rate	1.65%	1.8%
Average life expectancy at 65 for a member currently aged 65 (years)		
Male	21.2	21.1
Female	23.6	23.4
Average life expectancy at 65 for a member currently aged 50 (years)		
Male	22.5	22.4
Female	25.0	24.8

The average duration of the defined benefit obligation at 30 September 2020 is 17 years (2019 – 17 years).

Amounts recognised in profit or loss in respect of the Plan are as follows:

	2020 £'000	2019 £'000
Interest on obligation	2,347	3,217
Settlement credit	(23)	(202)
Past service cost	-	2,148
Interest income	(1,852)	(2,490)
Charge to Operating Loss	472	2,673

The charge for the year is included in the employee benefits expense in the income statement.

Changes in the present value of the defined benefit obligation are as follows:

	2020 £'000	2019 £'000
Opening defined benefit obligation	132,343	117,459
Interest cost	2,347	3,217
Changes due to settlement	(120)	(1,602)
Past service cost	-	2,148
Actuarial gains due to scheme experience	(64)	(660)
Actuarial losses/(gains) due to changes in demographic assumptions	429	1,244
Actuarial losses/(gains) due to changes in financial assumptions	1,427	14,495
Benefits paid	(3,782)	(3,958)
Closing defined benefit obligation	132,580	132,343

19. Retirement benefit obligations (continued)

Changes in the fair value of plan assets are as follows:

	2020 £'000	2019 £'000
Opening fair value of plan assets	103,391	89,705
Interest income	1,852	2,490
Changes due to settlement	(96)	(1,400)
Return on plan assets (excluding interest income)	(291)	13,008
Contributions by employer	2,900	3,546
Benefits paid	(3,782)	(3,958)
Closing fair value of plan assets	103,974	103,391

The fair value of plan assets at the balance sheet date is analysed as follows:

	2020 £'000	2019 £'000
Insured Pensions	26,608	27,842
Equities	17,631	25,589
Debt Instruments	24,009	14,016
Diversified Growth Funds	10,024	12,526
Cash	3,014	948
Liability Driven Investment (LDI)	22,688	22,470
	103,974	103,391

The plan assets do not include any of the company's own financial instruments, nor any property occupied by, or other asset used by, the company. All of the plan assets have a quoted market price in an active market with the exception of the cash balance and the insured pensions.

The actual return on plan assets was a gain of £1,561,000 (2019: gain of £15,498,000).

The Plan typically exposes the company to actuarial risks such as investment risk, interest rate risk, salary growth risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges to profit and loss in future periods. This effect would be partially offset by an increase in the value of the Plan's bond holdings, and in qualifying death in services insurance policies that cover the mortality risk. Additionally, caps on inflationary increases are in place to protect the Plan against extreme inflation.

20. Operating lease arrangements

At the balance sheet date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2020 £'000	2019 £'000
Plant and machinery		
Within one year	67	86
In the second to fifth years inclusive	155	179
	222	265

	2020 £'000	2019 £'000
Land and buildings		
Within one year	1,108	211
In the second to fifth years inclusive	4,431	1,254
After the fifth year	16,341	-
	21,880	1,465

Notes to the financial statements (continued)
Year ended 30 September 2020

21. Contingent liabilities

The company had no contingent liabilities to report at either balance sheet date.

22. Parent undertaking and controlling party

As at 30 September 2020 the immediate parent company was Bellcave Limited, a company incorporated in the United Kingdom and registered in England and Wales, whose registerd office is 31 Hill Street, London, United Kingdom, W1J 5LS.

The ultimate controlling party of Bellcave Limited is Mr Marc Joseph Meyohas.

23. Related Party Transactions

The business incurred costs from Greybull Capital LLP, a company with common directorships to First Circle Packaging Limited, of £500,000 relating to M&A fees and £400,000 relating to ongoing monitoring.

24. FRS 102 Conversion

Effective from 1 October 2019, the company transitioned its financial reporting framework from FRS 101 "Reduced Disclosure Framework Disclosure exemptions from EU-adopted IFRS for qualifying entities" to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

There were no significant differences in the carrying value of the assets and liabilities of the Company as at 30 September 2019 or the Profit and Loss for the year then ended arising from this transition.

25. Post balance sheet events

An arm's length secured working capital facility of £2m was provided by the company in February 2021 to Oryad Limited, a company owned and controlled by the company's ultimate shareholder. The facility earns interest at 6% per annum and is expected to be repaid in 2022.