

ADHESIVE SPECIALITIES LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2019

ADHESIVE SPECIALITIES LTD
REGISTERED NUMBER: 00957040

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible Fixed Assets	3	345,742	316,894
		<u>345,742</u>	<u>316,894</u>
Current assets			
Stocks	4	618,011	551,709
Debtors: amounts falling due within one year	5	3,099,671	3,097,955
Cash at bank and in hand		69,132	27,173
		<u>3,786,814</u>	<u>3,676,837</u>
Creditors: amounts falling due within one year	6	(2,202,807)	(2,121,328)
Net current assets		<u>1,584,007</u>	<u>1,555,509</u>
Total assets less current liabilities		<u>1,929,749</u>	<u>1,872,403</u>
Provisions for liabilities			
Deferred tax	7	(30,110)	(21,019)
		<u>(30,110)</u>	<u>(21,019)</u>
Net assets		<u><u>1,899,639</u></u>	<u><u>1,851,384</u></u>
Capital and reserves			
Called up share capital		1,200,000	1,200,000
Profit and loss account		699,639	651,384
		<u><u>1,899,639</u></u>	<u><u>1,851,384</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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Mr A Nicholson
Director

Date: 30 August 2019

ADHESIVE SPECIALITIES LTD
REGISTERED NUMBER: 00957040

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The notes on pages 3 to 10 form part of these financial statements.

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	1,200,000	651,384	1,851,384
Profit for the year	-	48,255	48,255
At 31 March 2019	<u><u>1,200,000</u></u>	<u><u>699,639</u></u>	<u><u>1,899,639</u></u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	1,200,000	537,868	1,737,868
Profit for the year	-	133,516	133,516
Dividends: Equity capital	-	(20,000)	(20,000)
At 31 March 2018	<u><u>1,200,000</u></u>	<u><u>651,384</u></u>	<u><u>1,851,384</u></u>

The notes on pages 3 to 10 form part of these financial statements.

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

1. General information

Adhesive Specialities Limited is a private company limited by share capital and incorporated in England and Wales. The address of the registered office and principal place of business is Tickitape House, 31 Bone Lane, Newbury, Berkshire, RG14 5SH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model 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.

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

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 10% - 20%
Motor vehicles	- 25%
Fixtures & fittings	- 10%
Computer equipment	- 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 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 balance sheet date, stocks are assessed for impairment. If stock 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.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.11 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.

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

2. Accounting policies (continued)

2.12 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ADHESIVE SPECIALITIES LTD

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

3. Tangible fixed assets

	Plant & machinery	Motor vehicles	Fixtures & fittings	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2018	877,826	211,174	181,867	266,249	1,537,116
Additions	3,455	-	34,006	51,419	88,880
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	881,281	211,174	215,873	317,668	1,625,996
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2018	688,167	109,498	161,230	261,327	1,220,222
Charge for the year on owned assets	7,509	46,669	3,496	2,358	60,032
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	695,676	156,167	164,726	263,685	1,280,254
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2019	<u>185,605</u>	<u>55,007</u>	<u>51,147</u>	<u>53,983</u>	<u>345,742</u>
At 31 March 2018	<u>189,659</u>	<u>101,676</u>	<u>20,637</u>	<u>4,922</u>	<u>316,894</u>

4. Stocks

	2019	2018
	£	£
Raw materials	210,102	120,641
Work in progress	70,384	70,390
Finished goods	337,525	360,678
	<hr/>	<hr/>
	<u>618,011</u>	<u>551,709</u>

ADHESIVE SPECIALITIES LTD

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

5. Debtors

	2019	2018
	£	£
Trade debtors	1,082,211	1,050,173
Amounts owed by group undertakings	1,926,738	1,932,582
Other debtors	-	80,400
Prepayments and accrued income	90,722	34,800
	<u>3,099,671</u>	<u>3,097,955</u>

6. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,028,058	845,710
Corporation tax	5,220	38,810
Other taxation and social security	85,273	98,910
Obligations under finance lease and hire purchase contracts	-	27,207
Other creditors	942,532	970,174
Accruals and deferred income	141,724	140,517
	<u>2,202,807</u>	<u>2,121,328</u>

Included within other creditors is an amount of £935,576 (2018: £963,192) relating to the invoice discounting facility for trade debts. The facility agreement is secured by a fixed charge over the book debts and a floating charge over the assets and undertakings of the company.

ADHESIVE SPECIALITIES LTD

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

7. Deferred taxation

	2019 £
At beginning of year	(21,019)
Charged to profit or loss	(9,091)
At end of year	<u>(30,110)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	(31,566)	(22,003)
Short term timing differences	1,456	984
	<u>(30,110)</u>	<u>(21,019)</u>

8. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
1,200,000 (2018 - 1,200,000) Ordinary shares of £1.00 each	<u>1,200,000</u>	<u>1,200,000</u>

9. Controlling party

The ultimate parent company at the balance sheet date is AS (Tapes) Limited.

The parent of the smallest and largest group for which group accounts including Adhesive Specialities Limited are drawn up is A S Tapes Limited. Copies of these accounts may be obtained from the registered office.

10. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on 30 August 2019 by Jonathan Baillie BA (Hons) FCCA ACA (Senior Statutory Auditor) on behalf of James Cowper Kreston.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.