

Company Registration No. 01097456 (England and Wales)

JENA (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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JENA (UK) LIMITED

COMPANY INFORMATION

Directors	P S Windle M A Shaikh	(Appointed 30 January 2020)
Company number	01097456	
Registered office	20 Brickfield Road Yardley Birmingham B25 8HE	
Auditor	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR	
Bankers	HSBC Bank plc 4th Floor 120 Edmund Street Birmingham B3 2QZ	

JENA (UK) LIMITED

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JENA (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

The principal activity of the company continued to be that of packing, supplying and merchandising paper, plastic and polystyrene disposables.

The directors are satisfied with the results reported for 2019 and the resultant financial position at the year-end.

During 2019 the directors continued their focus on growing both turnover and profitability in all 3 existing channels in addition to developing new range opportunities with existing customer and exploiting new customer pipeline opportunities. New product innovations and responding to market challenges was key in 2019, with particular emphasis on delivering solutions to the high profile environmental packaging challenges.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including credit risk, cash flow risk, liquidity risk and price risk. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The majority of the company's inventory purchases are in US dollars. The company invoices a proportion of its sales in US dollars which provides a natural hedge against some of the exposure to the currency fluctuations.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The company has obtained credit insurance which covers the majority of the receivables from customers.

Liquidity risk

The company monitors its cash flow on a daily basis as part of its normal control procedures.

The company may also be affected by a number of other risks and uncertainties :

Perceived environmental issues

There has been a UK government let campaign over the last few years targeting the reduction in the usage of plastic products because of their perceived negative environmental impact. There is a risk of further reduction in plastic bag and other similar packaging usage both in the UK and overseas markets as further targets and/ or environmental taxes are introduced. The company is at the forefront in the offering of alternative materials and product solutions to its customers to assist them in meeting their environmental obligations whilst meeting the needs of the consumer.

JENA (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Commodity price risk

The company is exposed to commodity price risk in relation to the cost of its raw material input, polyethylene resin and paper. The company monitors trends in the market closely and liaises with related companies and third party suppliers in relation to fluctuations in the prices and impact on future profitability. The company does not hedge its future raw material requirement but it does seek to recover major movements in the commodity price through price adjustments with its customers when appropriate.

Brexit

Following the UK leaving the European Union on 31 January 2020, uncertainty has increased surrounding the outlook of the UK economy. Although at present there appears to be minimal impact on consumer confidence, this uncertainty may ultimately impact on market confidence and as a result could potentially impact on the demand and price for products/services, which in turn may affect revenue, profit and cash flow.

Coronavirus

At the time of filing we are faced with the Coronavirus (COVID19). Whilst no one can predict the extent of the impact this will have, the company is taking steps to protect against the worst effects. This includes eliminating unnecessary meetings and travel, preparations in case employees are recommended to self-isolate, implementing improved hygiene processes and protecting the company's liquidity. We have also furloughed a number of non-essential staff, while office staff able to work from home are doing so. Despite this, the company's operations are still able to continue, albeit in a reduced capacity. The company is monitoring the situation daily and is in continuing close liaison with both its trading partners and its employees.

From a financial perspective, the company will utilise the available payment deferral schemes offered by HMRC to ease cash flow.

Key performance indicators

The company reviews and monitors its performance against a number of key performance indicators both financial and non-financial. The principal measures include revenue growth, maintaining service levels, improvement of gross margins and EBITDA. These are reviewed by the management team and reported to the Board on a monthly basis.

The Directors have and will continue to monitor all of the KPI's and daily operating controls and maintain a strong focus on increasing performance in all aspects of the business.

The main KPI's and corresponding results are as follows:

	2019	2018
Turnover	£53,926,720	£51,569,844
Gross profit %	13.4%	13.5%
EBITDA (excluding charitable donations)	£1,414,631	£1,289,971
Net assets	£2,807,165	£2,814,657

JENA (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

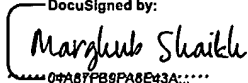
FOR THE YEAR ENDED 31 DECEMBER 2019

Future developments

The directors have decided to transfer the trade and assets of the company on a going concern basis to a fellow group company, Euro Packaging UK Limited, effective from 1 January 2020.

On behalf of the board

DocuSigned by:



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M A Shaikh

Director

30/9/2020...9:50 AM BST

JENA (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of packing, supplying and merchandising paper, plastic and polystyrene disposables.

Directors

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

I Majid	(Appointed 28 August 2019 and resigned 30 January 2020)
P S Windle	
D L Smith	(Resigned 28 June 2019)
M A Shaikh	(Appointed 30 January 2020)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The directors have decided to transfer the trade and assets of the company on a going concern basis to a fellow group company, Euro Packaging UK Limited, effective from 1 January 2020.

Auditor

Cowgill Holloway LLP were appointed as auditor to the company and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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 company and of the profit or loss of the company 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;
- 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.

JENA (UK) LIMITED

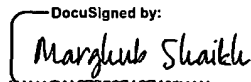
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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

DocuSigned by:

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M A Shaikh
Director

30/9/2020 | 9:50 AM BST
Date:

JENA (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JENA (UK) LIMITED

Opinion

We have audited the financial statements of Jena (UK) Limited (the 'company') for the year ended 31 December 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 December 2019 and of its loss 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 directors' use of the going concern basis of accounting in the 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.

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 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 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.

JENA (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JENA (UK) LIMITED

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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

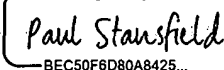
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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: <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 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.

DocuSigned by:



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Paul Stansfield (Senior Statutory Auditor)
for and on behalf of Cowgill Holloway LLP

30/9/2020 | 9:51 AM BST

Chartered Accountants
Statutory Auditor

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

JENA (UK) LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019	2018
	Notes	£	as restated £
Turnover	3	53,926,720	51,569,844
Cost of sales		(46,716,994)	(44,615,038)
Gross profit		7,209,726	6,954,806
Distribution costs		(2,340,061)	(1,832,885)
Administrative expenses		(3,527,338)	(3,910,434)
Operating profit before donations		1,342,327	1,211,487
Charitable donations	4	(801,455)	(500,000)
Operating profit	5	540,872	711,487
Interest receivable and similar income	8	31,850	83,286
Interest payable and similar expenses	9	(576,091)	(264,582)
(Loss)/profit before taxation		(3,369)	530,191
Tax on (loss)/profit	10	(4,123)	(133,613)
(Loss)/profit for the financial year		(7,492)	396,578


The profit and loss account has been prepared on the basis that all operations are continuing operations.

JENA (UK) LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		394,437		460,291
Current assets					
Stocks	12	9,884,172		11,056,398	
Debtors	13	12,200,116		11,936,150	
Cash at bank and in hand		4,235,606		333,245	
		26,319,894		23,325,793	
Creditors: amounts falling due within one year	14	(11,184,276)		(8,208,871)	
Net current assets			15,135,618		15,116,922
Total assets less current liabilities			15,530,055		15,577,213
Creditors: amounts falling due after more than one year	15		(12,722,890)		(12,762,556)
Net assets			2,807,165		2,814,657
Capital and reserves					
Called up share capital	20		980		980
Profit and loss reserves			2,806,185		2,813,677
Total equity			2,807,165		2,814,657

The financial statements were approved by the board of directors and authorised for issue on 30/9/2020 | 9:50 AM BST and are signed on its behalf by:

DocuSigned by:



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M A Shaikh

Director

Company Registration No. 01097456

JENA (UK) LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2018	980	2,417,099	2,418,079
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	396,578	396,578
Balance at 31 December 2018	980	2,813,677	2,814,657
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(7,492)	(7,492)
Balance at 31 December 2019	980	2,806,185	2,807,165

JENA (UK) LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019		2018 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		4,594,932		(5,443,172)
Interest paid			(576,091)		(264,582)
Income taxes paid			(102,214)		(43,992)
Net cash inflow/(outflow) from operating activities			3,916,627		(5,751,746)
Investing activities					
Purchase of tangible fixed assets		(6,450)		-	
Interest received		31,850		83,286	
Net cash generated from investing activities			25,400		83,286
Financing activities					
Proceeds from borrowings		-		4,492,694	
Payment of finance leases obligations		(39,666)		(41,263)	
Net cash (used in)/generated from financing activities			(39,666)		4,451,431
Net increase/(decrease) in cash and cash equivalents			3,902,361		(1,217,029)
Cash and cash equivalents at beginning of year			333,245		1,550,274
Cash and cash equivalents at end of year			4,235,606		333,245

JENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Jena (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 20 Brickfield Road, Yardley, Birmingham, B25 8HE.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The directors have decided to transfer the trade and assets of the company on a going concern basis to a fellow group company, Euro Packaging UK Limited, effective from 1 January 2020.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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:

Leasehold improvements	10% p.a. straight line basis
Plant and equipment	10% p.a. straight line basis
Fixtures and fittings	20% - 33.33% p.a. straight line basis
Motor vehicles	25% p.a. straight line basis

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.

JENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

1 Accounting policies

(Continued)

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.

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 and cash equivalents

Cash and cash equivalents 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.

JENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

JENA (UK) LIMITED

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

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

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.

JENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.15 Change in presentation

The presentation of balances within stock, debtors: amounts falling due within one year and creditors: amounts falling due within one year have been restated. This was in order to correctly reflect related party balances and goods in transit.

The presentation of expenses within cost of sales, distribution expenses and administrative expenses have been restated. This was in order to correctly present goods in transit and expenses according to their nature.

The change in presentation of these balances has had no effect on the previously reported profit or net assets as at 31 December 2018.

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

To ensure that adequate provision is made in the company's accounts for slow moving, damaged and obsolete stock the directors recognise specific provisions based on the age and category of stock held at the year end. At the year end the provision totalled £1,262,813 (2018: £1,164,344).

3 Turnover and other revenue

	2019 £	2018 £
Turnover analysed by class of business		
Sales of goods	53,926,720	51,569,844
	<u>53,926,720</u>	<u>51,569,844</u>
	2019 £	2018 £
Other significant revenue		
Interest income	31,850	83,286
	<u>31,850</u>	<u>83,286</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	50,858,720	47,956,703
Rest of Europe	2,029,000	2,511,300
Africa and Middle East	7,000	-
Asia	516,000	698,330
Australasia	107,000	-
North and South America	409,000	403,511
	<u>53,926,720</u>	<u>51,569,844</u>

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2019**4 Charitable donations**

	2019	2018
	£	£
Charitable donations	801,455	500,000

5 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	57,835	(406,129)
Fees payable to the company's auditor for the audit of the company's financial statements	13,500	16,500
Depreciation of owned tangible fixed assets	52,156	58,336
Depreciation of tangible fixed assets held under finance leases	20,148	20,148

6 Employees

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

	2019	2018
	Number	Number
Office and management	23	23
Production	93	101
Sales	20	20
	136	144

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	3,235,196	3,369,664
Social security costs	302,870	310,342
Pension costs	97,516	74,957
	3,635,582	3,754,963

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****7 Directors' remuneration**

	2019 £	2018 £
Remuneration for qualifying services	111,024	105,316
Company pension contributions to defined contribution schemes	31,188	30,703
	<u>142,212</u>	<u>136,019</u>

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

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	7,347	1,801
Interest receivable from group companies	24,485	81,485
Other interest income	18	-
	<u>31,850</u>	<u>83,286</u>

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	-	379
Interest payable to group undertakings	-	174,461
Interest on finance leases and hire purchase contracts	4,358	4,358
Interest payable to related parties	571,733	85,384
	<u>576,091</u>	<u>264,582</u>

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	6,554	116,866
Adjustments in respect of prior periods	(16,909)	1,991
	<u>(10,355)</u>	<u>118,857</u>

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****10 Taxation****(Continued)**

	2019	2018
	£	£
Deferred tax		
Origination and reversal of timing differences	(2,435)	(13,709)
Adjustment in respect of prior periods	16,913	28,465
	<u>14,478</u>	<u>14,756</u>
Total deferred tax		
	<u>14,478</u>	<u>14,756</u>
Total tax charge	<u>4,123</u>	<u>133,613</u>

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

	2019	2018
	£	£
(Loss)/profit before taxation	<u>(3,369)</u>	<u>530,191</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(640)	100,736
Tax effect of expenses that are not deductible in determining taxable profit	4,759	2,421
Adjustments in respect of prior years	4	30,456
	<u>4,123</u>	<u>133,613</u>
Taxation charge for the year	<u>4,123</u>	<u>133,613</u>

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****11 Tangible fixed assets**

	Leasehold Improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2019	154,070	766,651	417,262	25,000	1,362,983
Additions	-	6,450	-	-	6,450
Disposals	-	-	-	(25,000)	(25,000)
At 31 December 2019	154,070	773,101	417,262	-	1,344,433
Depreciation and impairment					
At 1 January 2019	67,966	395,683	414,043	25,000	902,692
Depreciation charged in the year	15,529	55,456	1,319	-	72,304
Eliminated in respect of disposals	-	-	-	(25,000)	(25,000)
At 31 December 2019	83,495	451,139	415,362	-	949,996
Carrying amount					
At 31 December 2019	70,575	321,962	1,900	-	394,437
At 31 December 2018	86,104	370,968	3,219	-	460,291

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 equipment	132,464	153,872

12 Stocks

	2019 £	2018 as restated £
Raw materials and consumables	20,819	84,000
Goods in transit	2,677,298	2,083,766
Finished goods and goods for resale	7,186,055	8,888,632
	9,884,172	11,056,398

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****13 Debtors**

	2019	2018 as restated
	£	£
Amounts falling due within one year:		
Trade debtors	11,207,075	11,094,855
Amounts owed by group undertakings	-	648,481
Other debtors	882,323	-
Prepayments and accrued income	109,952	177,570
	<u>12,199,350</u>	<u>11,920,906</u>
Deferred tax asset (note 18)	766	15,244
	<u>12,200,116</u>	<u>11,936,150</u>

Trading balances due from group undertakings and related parties, included within other debtors, are repayable on demand, unsecured, subject to normal trading terms and do not attract interest.

14 Creditors: amounts falling due within one year

	Notes	2019	2018 as restated
		£	£
Obligations under finance leases	17	39,666	39,666
Trade creditors		4,663,707	3,842,328
Amounts owed to group undertakings		3,334,649	493,484
Corporation tax		4,296	116,865
Other taxation and social security		203,071	407,380
Other creditors		2,536,328	2,823,395
Accruals and deferred income		402,559	485,753
		<u>11,184,276</u>	<u>8,208,871</u>

Trading balances due to group undertakings and related parties, included within other creditors, are repayable on demand, unsecured, subject to normal trading terms and do not attract interest.

15 Creditors: amounts falling due after more than one year

	Notes	2019	2018
		£	£
Obligations under finance leases	17	24,390	64,056
Loans due to related parties	16	12,698,500	12,698,500
		<u>12,722,890</u>	<u>12,762,556</u>

Loans due to related parties are unsecured and attract interest at 4.5% p.a., and are repayable in 2027.

Finance lease liabilities are secured against the assets to which they relate.

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2019**16 Loans and overdrafts**

	2019 £	2018 £
Loans due to related parties	12,698,500	12,698,500
Payable after one year	12,698,500	12,698,500

Loans due to related parties are unsecured and attract interest at 4.5% p.a., and are repayable in 2027.

Bank loans and overdrafts are secured.

17 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	39,666	39,666
In two to five years	24,390	64,056
	64,056	103,722

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2019 £	Assets 2018 £
Balances:		
Accelerated capital allowances	(10,482)	(9,108)
Retirement benefit obligations	4,854	-
Provisions	6,394	24,352
	766	15,244
Movements in the year:		2019 £
Asset at 1 January 2019		(15,244)
Credit to profit or loss		(2,435)
Other		16,913
Asset at 31 December 2019		(766)

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****18 Deferred taxation****(Continued)**

The deferred tax asset set out above is expected to reverse within future periods and relates to capital allowances and short term timing differences which are expected to be claimed within the same period the utilisation of tax losses against future expected profits of the same period.

19 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>97,516</u>	<u>74,957</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
	£	£
Ordinary share capital		
Issued and fully paid		
980 Ordinary shares of £1 each	<u>980</u>	<u>980</u>

JENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 1.12(e) 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

During the year the company has recognised rental charges of £466,246 (2018: £466,248) and interest charges of £571,438 (2018: £259,845) from Euro Property Investments Limited, a related company due to common directors and control. At the year end a loan of £12,968,500 (2018: £12,968,500) was owed to Euro Property Investments Limited, this amount is included within creditors: amounts falling due after more than one year. Additionally amounts due from Euro Property Investments Limited as at the year end amounted to £672,381 (2018 creditor: £17,347) and is included within other debtors.

During the year the company has recognised purchases of £5,562,584 (2018: £7,068,836) from Euro Nature Green SDN BHD, a company under common control. At the year end an amount of £1,401,447 (2018: £1,627,591) was owed to Euro Nature Green SDN BHD, this amount is included within other creditors.

During the year the company has recognised purchases of £29,804 (2018: £Nil) from Euro SME SDN BHD, a company under common control. At the year end an amount of £29,804 (2018: £Nil) was owed to Euro SME SDN BHD, this amount is included within other creditors.

During the year the company has recognised management charges of 168,829 (2018: £157,500) from, and sales of £2,260 (2018: £Nil) to, Euro Capital General Trading LLC, a company under common control. At the year end an amount of £2,260 (2018: £1,971,306) was owed by Euro Capital General Trading LLC, this amount is included within other debtors.

During the year the company has recognised purchases of £563,538 (2018: £17,931) from Manchester Paper Bags Manufacturing LLC, a company under control of a close family member. At the year end an amount of £208,522 (2018: £Nil) was owed from Manchester Paper Bags Manufacturing LLC, this amount is included within other debtors.

During the year the company made donations of £Nil (2018: £500,000) to Euro Charity Trust, a related party due to its common trustees.

During the year the company made donations of £800,000 (2018: £Nil) to AM Foundation, a related party due to its common trustees.

22 Ultimate controlling party

The ultimate parent company is Euro Packaging Jersey Limited, a company registered in Jersey.

The controlling parties of Euro Packaging Jersey Limited are A M Alimahomed and S M Alimahomed, each owning 50% of the share capital of Euro Packaging Jersey Limited.

JENA (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****23 Cash generated from/(absorbed by) operations**

	2019 £	2018 £
(Loss)/profit for the year after tax	(7,492)	396,578
Adjustments for:		
Taxation charged	4,123	133,613
Finance costs	576,091	264,582
Investment income	(31,850)	(83,286)
Depreciation and impairment of tangible fixed assets	72,304	78,484
Movements in working capital:		
Decrease/(increase) in stocks	1,172,226	(2,293,303)
(Increase)/decrease in debtors	(278,444)	2,264,155
Increase/(decrease) in creditors	3,087,974	(6,203,995)
Cash generated from/(absorbed by) operations	<u>4,594,932</u>	<u>(5,443,172)</u>

24 Analysis of changes in net debt

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	333,245	3,902,361	4,235,606
Borrowings excluding overdrafts	(12,698,500)	-	(12,698,500)
Obligations under finance leases	(103,722)	39,666	(64,056)
	<u>(12,468,977)</u>	<u>3,942,027</u>	<u>(8,526,950)</u>