

Jardin Corrugated Cases Limited

Annual report and financial statements

For the year ended 31 December 2018



Jardin Corrugated Cases Limited

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Jardin Corrugated Cases Limited

Company information

Directors

W B Barnett
B N McDonnell
A D Kelly

Registered number

01332869

Registered office

Lifford Hall
Lifford Lane
Kings Norton
Birmingham
West Midlands
B30 3JN

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Bankers

Barclays Bank Plc
PO Box 421
1 Church Street
Peterborough
PE1 1XE

Jardin Corrugated Cases Limited

Strategic report For the year ended 31 December 2018

The directors present their Strategic report on the company for the year ended 31 December 2018.

Principal activity, business review and future developments

The principal activity of the company during the year continued to be that of the manufacture and sale of corrugated packaging materials to a wide range of different customers, in different industry sectors in the United Kingdom.

The company continues to invest in development. The directors regard development investment as necessary for continuing success in the medium to long term future.

The directors use the following key performance indicators to monitor the performance of the business against prior years:

Results and dividends

The loss for the financial year amounted to £153,695 (2017: £197,566).

The directors do not recommend the payment of a dividend for the year (2017: £Nil).

Key performance indicators

	2018	2017
Turnover growth	2.5%	15.6%
Gross margin	17.8%	16.7%
Employee numbers	139	151

The directors expect the company to maintain its present level of activities in the foreseeable future.

Environment

The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The company has complied with all applicable legislation and regulations.

Employee involvement

During the year, the policy of providing employees with information about the company's activities and performance has continued. Meetings are held between management and employees where employee participation is encouraged.

Disabled employees

The company gives full consideration to application for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions to disabled employees wherever appropriate.

Jardin Corrugated Cases Limited

Strategic report (continued) For the year ended 31 December 2018

Principal risks and uncertainties

The directors are of the opinion that there are no specific risks attributable to the company of which need to be highlighted other than normal commercial risks. Risks to the business are reported and reviewed at regular meetings of the directors and risk mitigation strategies implemented as appropriate.

Competitive pressure in the United Kingdom is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of currency risk, credit risk, liquidity risk, interest rate risk and market price risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company of these aforementioned risks.

Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for that other party by failing to discharge an obligation. Company policies are structured to mitigate such losses, and require that deferred items are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk

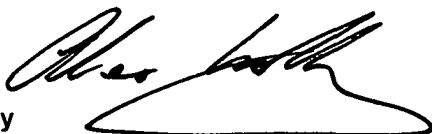
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations.

Interest risk

The company has interest bearing assets which principally comprise cash earning interest at variable rates. The company's interest bearing liabilities principally comprise invoice discounting facilities and finance leases and hire purchase contracts which bear interest at variable rates.

This report was approved by the Board on 17 September 2019 and signed on its behalf.

A D Kelly
Director



Jardin Corrugated Cases Limited

Directors' report For the year ended 31 December 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

W B Barnett
B N McDonnell
A D Kelly

Future developments

The future development of the company is included in the Strategic report and included in this report by cross reference.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date of the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

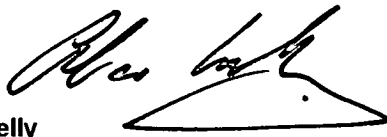
Jardin Corrugated Cases Limited

Directors' report (continued)
For the year ended 31 December 2018

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 17 September 2019 and signed on its behalf.


A D Kelly
Director

Independent auditors' report to the members of Jardin Corrugated Cases Limited

Report on the audit of the financial statements

Opinion

In our opinion, Jardin Corrugated Cases Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual report"), which comprise: the Balance sheet as at 31 December 2018; the Statement of comprehensive income; and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Jardin Corrugated Cases Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Jardin Corrugated Cases Limited

Independent auditors' report to the members of Jardin Corrugated Cases Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

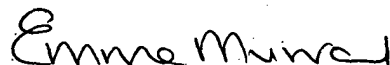
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.


Emma Murray (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast

17 September 2019

Jardin Corrugated Cases Limited

**Statement of comprehensive income
For the year ended 31 December 2018**

	Note	2018 £	2017 £
Turnover	5	21,885,436	21,351,453
Cost of sales		(17,988,156)	(17,782,422)
Gross profit		3,897,280	3,569,031
Distribution costs		-	(1,069,607)
Administrative expenses		(3,978,666)	(2,936,050)
Other operating income	6	10,228	391,984
Operating loss	7	(71,158)	(44,642)
Interest receivable and similar income	10	220	2,640
Interest payable and similar expenses	11	(65,305)	(122,733)
Loss before taxation		(136,243)	(164,735)
Tax on loss	12	(17,452)	(32,831)
Loss for the financial year		(153,695)	(197,566)
Total comprehensive expense for the year		(153,695)	(197,566)

The notes on pages 12 to 25 form part of these financial statements.

Jardin Corrugated Cases Limited
Registered number: 01332869

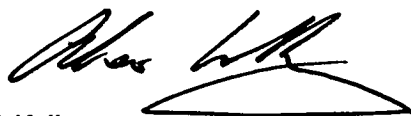
Balance sheet
As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	13		<u>3,565,205</u>		<u>3,412,131</u>
Current assets					
Stocks	14	1,176,761		1,010,347	
Debtors	15	5,261,465		6,242,611	
Cash at bank and in hand		<u>361,224</u>		<u>163,259</u>	
		6,799,450		7,416,217	
Creditors: amounts falling due within one year	16	<u>(8,495,148)</u>		<u>(8,797,548)</u>	
Net current liabilities			<u>(1,695,698)</u>		<u>(1,381,331)</u>
Total assets less current liabilities			<u>1,869,507</u>		<u>2,030,800</u>
Creditors: amounts falling due after more than one year	17		-		(22,928)
Provisions for liabilities					
Deferred tax	19		<u>(201,326)</u>		<u>(185,996)</u>
Net assets			<u>1,668,181</u>		<u>1,821,876</u>
Capital and reserves					
Called up share capital	20		1,000,000		1,000,000
Revaluation reserve			348,601		408,080
Retained earnings			<u>319,580</u>		<u>413,796</u>
Total shareholder's funds			<u>1,668,181</u>		<u>1,821,876</u>

The financial statements on pages 9 to 25 were approved and authorised for issue by the board and were signed on its behalf on 17 September 2019.



W B Barnett
Director



A D Kelly
Director

The notes on pages 12 to 25 form part of these financial statements.

Jardin Corrugated Cases Limited

**Statement of changes in equity
For the year ended 31 December 2018**

	Called up share capital	Revaluation reserve	Retained earnings	Total shareholder's funds
	£	£	£	£
At 1 January 2018	1,000,000	408,080	413,796	1,821,876
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(153,695)	(153,695)
Total comprehensive expense for the financial year	-	-	(153,695)	(153,695)
Transfer (from)/to Retained earnings	-	(59,479)	59,479	-
At 31 December 2018	1,000,000	348,601	319,580	1,668,181

**Statement of changes in equity
For the year ended 31 December 2017**

	Called up share capital	Revaluation reserve	Retained earnings	Total shareholder's funds
	£	£	£	£
At 1 January 2017	1,000,000	467,559	551,883	2,019,442
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(197,566)	(197,566)
Total comprehensive expense for the financial year	-	-	(197,566)	(197,566)
Transfer (from)/to Retained earnings	-	(59,479)	59,479	-
At 31 December 2017	1,000,000	408,080	413,796	1,821,876

The notes on pages 12 to 25 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2018**

1. General information

The principal activity of the company during the year continued to be that of the manufacture and sale of corrugated packaging materials to a wide range of different customers, in different industry sectors in the United Kingdom.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of the registered office is Lifford Hall, Lifford Lane, Kings Norton, Birmingham, West Midlands, B30 3JN.

2. Statement of compliance

The individual financial statements of Jardin Corrugated Cases Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the 'Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland', and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

Certain comparative amounts in the financial statements have been reclassified to conform to changes in presentation in the current year.

The following principal accounting policies have been consistently applied:

3.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The company has taken advantage of the following exemptions:

- The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b) from preparing a Statement of cash flows, on the basis that it is a qualifying entity and its parent company, Boxes and Packaging (UK) Limited, includes the company's cash flows in its own consolidated financial statements;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- disclosure of transactions and balances with wholly owned group companies under FRS 102 paragraph 33.1A, as all of the voting rights are controlled within the group.

**Notes to the financial statements
For the year ended 31 December 2018**

3. Summary of significant accounting policies (continued)

3.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

Sales of goods are recognised on sale to customer which is upon customer receipt of goods.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Other operating income represents the invoiced value of rental income from the hire of a machine.

3.4 Tangible assets

Tangible assets are stated at historical cost (or deemed cost for assets held at valuation at the date of transition to FRS 102) 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 Statement of comprehensive income during the period in which they are incurred.

Depreciation is charged on the following bases:

Leasehold improvements -	9 to 10 years straight line basis
Plant and machinery -	3 to 25 years straight line basis
Fixtures and fittings -	5 to 10 years straight line basis

Assets in the course of construction are carried at cost. These assets are not depreciated until they are available for use.

**Notes to the financial statements
For the year ended 31 December 2018**

3. Summary of significant accounting policies (continued)

3.4 Tangible assets (continued)

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 within 'administrative expenses' in the Statement of comprehensive income.

3.5 Operating leases: lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

3.6 Operating leases: lessor

Rentals received under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

3.7 Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plan

The company operated 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 obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance sheet. The assets of the plan are held separately from the company in an independently administered funds.

3.8 Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

**Notes to the financial statements
For the year ended 31 December 2018**

3. Summary of significant accounting policies (continued)

3.9 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.

3.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as cash, trade and other debtors, and trade and other creditors, invoice discounting facilities, obligations under hire purchase contract and amounts owed by/(to) group undertakings.

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 payables or receivables, 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 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**Notes to the financial statements
For the year ended 31 December 2018**

3. Summary of significant accounting policies (continued)

3.12 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, 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 the Statement of comprehensive income.

3.13 Leased assets: lessee

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 Statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to Statement of comprehensive income 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.

3.14 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3.15 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.

3.16 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.

3.17 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.

3.18 Related party transactions

The company disclosed transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Notes to the financial statements
For the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income or an 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 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be under the circumstances.

(a) Critical judgements in applying the company's accounting policies.

There are no critical judgements in applying the company's accounting policies.

(b) Critical accounting estimates and assumptions.

There are no critical accounting estimates and assumptions.

5. Turnover

The directors consider all turnover to derive from the manufacture and sale of corrugated packaging materials to a wide range of different customers. All turnover arose within the United Kingdom.

6. Other operating income

	2018 £	2017 £
Contribution for use of equipment	10,228	391,984

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

7. Operating loss

Operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets: finance lease and hire purchase agreements	30,590	96,299
Depreciation of tangible assets: owned	252,924	182,854
Foreign currency losses	8,634	8,339
Impairment of stocks	2,481	3,353
Impairment of trade receivables	702	-
Operating lease costs:		
- other	38,878	45,781
- plant	481,290	475,337
Stocks recognised as an expense	13,562,978	12,975,738
Loss on sale of tangible assets	-	903
Fees payable to the company's auditors and their associates for:		
- the audit of the company's annual financial statements	13,325	13,000
- tax compliance services	2,260	2,895

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	3,398,127	3,546,034
Social security costs	302,308	336,965
Other pension costs	182,915	175,512
	3,883,350	4,058,511

The average monthly number of employees, including the directors, during the year was as follows:

	2018 Number	2017 Number
Administrative and sales	27	26
Production	112	125
	139	151

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

9. Directors' remuneration

The company's directors were not remunerated for their services to the company but instead received emoluments for their services to the Logson group of companies. The directors do not believe that it is practical to apportion this amount between services as a director of the company and services as a director of other group companies.

10. Interest receivable and similar income

	2018 £	2017 £
Bank interest	220	2,640

11. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	-	400
Interest payable on invoice discounting facility	59,833	105,117
Interest payable on finance lease and hire purchase agreements	5,472	17,216
	65,305	122,733

12. Tax on loss

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	2,122	(1,907)
Total current tax	2,122	(1,907)
Deferred tax		
Origination and reversal of timing differences	14,922	34,068
Adjustments in respect of previous periods	1,979	(7,385)
Effect of changes in tax rates	(1,571)	(3,586)
Movement arising from the transfer of trade	-	11,641
Total deferred tax	15,330	34,738
Total tax charge for the year	17,452	32,831

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

12. Tax on loss (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Loss before taxation	(136,243)	(164,735)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(25,886)	(31,711)
Effects of:		
Expenses not deductible for tax purposes	225	411
Effects of group relief	33,659	49,957
Depreciation on ineligible assets	6,924	15,411
Adjustments in respect of previous periods	4,101	(9,292)
Changes in tax rates	(1,571)	(3,586)
Movement arising from the transfer of trade	-	11,641
Total tax charge for the year	17,452	32,831

Factors that may affect future tax charges

The prevailing UK corporation tax rate was substantively enacted as part of the Finance Act 2018 on 15 March 2018. This reduces the main rate of tax to 17% from April 2020. The deferred tax assets and liabilities reflect these rates.

Notes to the financial statements
For the year ended 31 December 2018

13. Tangible assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
Cost					
At 1 January 2018	55,217	4,681,177	692,079	-	5,428,473
Additions	-	325,071	-	111,517	436,588
At 31 December 2018	<u>55,217</u>	<u>5,006,248</u>	<u>692,079</u>	<u>111,517</u>	<u>5,865,061</u>
Accumulated depreciation					
At 1 January 2018	24,034	1,429,514	562,794	-	2,016,342
Charge for the year	4,976	251,334	27,204	-	283,514
At 31 December 2018	<u>29,010</u>	<u>1,680,848</u>	<u>589,998</u>	<u>-</u>	<u>2,299,856</u>
Net book value					
At 31 December 2018	<u>26,207</u>	<u>3,325,400</u>	<u>102,081</u>	<u>111,517</u>	<u>3,565,205</u>
At 31 December 2017	<u>31,183</u>	<u>3,251,663</u>	<u>129,285</u>	<u>-</u>	<u>3,412,131</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	<u>620,648</u>	<u>1,194,812</u>

Tangible assets with a carrying value of £620,648 (2017: £878,321) are secured by a fixed charge over certain items of the company's plant and machinery. All tangible assets with a carrying value of £3,565,205 (2017: £3,412,131) are pledged as security for the company's banking facilities.

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

13. Tangible assets (continued)

On transition to FRS 102 the company elected to use the fair value of previously revalued plant and machinery as its deemed cost.

If the plant and machinery had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Cost	8,867,530	8,430,942
Accumulated depreciation	(5,762,765)	(5,538,730)
	<u>3,104,765</u>	<u>2,892,212</u>

14. Stocks

	2018 £	2017 £
Raw materials and consumables	762,494	564,650
Work in progress	132,668	50,081
Finished goods and goods for resale	281,599	395,616
	<u>1,176,761</u>	<u>1,010,347</u>

Stocks are stated after provisions for impairment of £25,474 (2017: £22,993).

15. Debtors

	2018 £	2017 £
Trade debtors	4,016,587	4,646,967
Amounts owed by group undertakings	744,844	900,354
Corporation tax	-	30,275
Other debtors	15,999	-
Prepayments and accrued income	484,035	665,015
	<u>5,261,465</u>	<u>6,242,611</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

16. Creditors: amounts falling due within one year

	2018 £	2017 £
Invoice discounting	2,462,022	2,064,247
Obligations under finance lease and hire purchase agreements (note 18)	23,067	142,008
Trade creditors	3,101,531	3,735,026
Amounts owed to group undertakings	1,615,030	1,557,773
Other tax and social security	266,917	360,029
Accruals and deferred income	1,026,581	938,465
	<u>8,495,148</u>	<u>8,797,548</u>

Invoice discounting amounts are secured against the company's trade debtors to the amount of £2,462,022 (2017: £2,064,247).

The company's borrowings are secured by certain fixed and floating charges over the property, assets, and undertakings of the company.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Obligations under finance lease and hire purchase agreements (note 18)	-	22,928
	<u>-</u>	<u>22,928</u>

18. Finance leases and hire purchase agreements

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	23,067	142,008
Between 1-5 years	-	22,928
	<u>23,067</u>	<u>164,936</u>

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

19. Deferred taxation

	2018 £	2017 £
At 1 January	(185,996)	(151,258)
Charged to the Statement of comprehensive income	(13,351)	(30,482)
Adjustment in respect to previous periods	(1,979)	7,385
Movement arising from the transfer of trade	-	(11,641)
At 31 December	(201,326)	(185,996)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(208,995)	(187,991)
Other short term timing differences	7,669	1,995
	(201,326)	(185,996)

20. Called up share capital

	2018 £	2017 £
Allotted and fully paid		
1,000,000 (2017: 1,000,000) Ordinary shares of £1 each	1,000,000	1,000,000

21. Capital commitments

At 31 December 2018, the company has capital commitments of £Nil (2017: £105,051).

22. Pension commitments

The company operates a defined contributions, pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £182,915 (2017: £175,512).

23. Contingent liabilities

The company's bank borrowings are secured by certain fixed and floating charges over the property, assets and undertakings of the company.

Jardin Corrugated Cases Limited

Notes to the financial statements For the year ended 31 December 2018

24. Commitments under operating leases

At 31 December, the company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings 2018 £	Other 2018 £	Land and buildings 2017 £	Other 2017 £
Within 1 year	198,421	564,684	198,421	108,520
Within 2 to 5 years	198,421	752,467	396,842	191,452
	<u>396,842</u>	<u>1,317,151</u>	<u>595,263</u>	<u>299,972</u>

25. Related party transactions

The company has taken advantage of the exemptions contained in FRS 102 not to disclose transactions with related companies which are fully controlled within the Logson Holdings Limited group of which the company is a subsidiary.

26. Ultimate controlling party and parent undertakings

The company's ultimate controlling party are the shareholders of W&R Barnett Holdings Limited.

The company's ultimate parent company at the Balance sheet date was W&R Barnett Holdings Limited, a company registered in Northern Ireland.

The company's immediate parent company at the Balance sheet date was Boxes and Packaging (UK) Limited, a company registered in England & Wales.

The parent of the smallest group undertaking which produces consolidated financial statements, and of which the company is a member, is Boxes and Packaging (UK) Limited, a company incorporated in England & Wales. Group financial statements for this company are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The parent of the largest group of undertakings which produces consolidated financial statements, and of which the company is a member, is W.&R. Barnett, Limited, a company incorporated in Northern Ireland. Group financial statements for this company are available from Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG.