

**Ablebox Limited**  
**Annual Report and Financial Statements**  
**Year Ended 30 April 2022**

**Registration number: 02547129**

**Ablebox Limited**

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# **Ablebox Limited**

## **Company Information**

<b>Directors</b>	S P Ainsworth A B Lloyd J C Lloyd T C Lloyd A L Takle
<b>Registered office</b>	Coldharbour Business Park Sherborne Dorset DT9 4JW
<b>Auditors</b>	PKF Francis Clark Statutory Auditor Ground Floor Blackbrook Gate 1 Blackbrook Business Park Taunton Somerset TA1 2PX

# Ablebox Limited

## Strategic Report for the Year Ended 30 April 2022

The directors present their strategic report for the year ended 30 April 2022.

### Principal activity

The principal activity of the company is to manufacture and distribute corrugated packaging.

### Fair review of the business

The financial year demonstrated continued growth and success for Ablebox. Turnover increased by 20.8%, year-on-year, at £17.2m (2021: £14.3m), ahead of sales target, achieving a Profit Before Tax of £2.54m (2021: £2.64m).

The business had another progressive year with steady sales volumes as Ablebox, its customers and the economy have navigated the path out of restrictive covid rules and global disruption in supply chains. As a fully integrated manufacturer of corrugated packaging, Ablebox was able to maintain stable, continuous supply to its customers without the protracted lead times which were seen by many competitors. During the year, the industry continued to experience rising raw material costs due to increased global pressure on the supply-demand balance for raw materials. These increased input costs were, largely, passed onto customers through price increases. The business also continues to remain competitive through maintaining focus on adding value, innovation, customer service, continuous improvement and quality of product.

The company continued to strengthen its financial position in the year with net current assets of £735k (2021: £880k) and net assets of £5.5m (2021: £5.1m) as shown in the Balance Sheet on page 12. At the end of the year, £327k of cash was tied up in plant and machinery which was later placed on finance into the year ended 30 April 2023. It was also the first year that the company was required to make quarterly corporation tax instalments. Therefore, an additional six months' worth of tax was paid within the year to April 2022. Both these factors negatively affected the cash position at year end – but it quickly recovered when the asset finance funds were received, post year-end. The tax payment was merely a timing consideration.

The Board monitor performance by reference to various key performance indicators. These performance indicators are reviewed and discussed at monthly Board Meetings:

Financial KPIs	Unit	2022	2021
Turnover	£'m	17.20	14.30
Profit before tax	£'m	2.54	2.64
EBITDA	£'m	3.30	3.32
EBITDA	%	19.19	23.22

### Principal risks and uncertainties

In the current economic environment inflationary pressures are being seen within wage costs, energy, and other establishment costs and, of course, supplies of raw materials. As described in the strategic report, the directors have recognised these challenges at an early stage and have taken and will continue to act accordingly whilst also taking a long-term view of the business strategy and direction. These inflationary pressures are also likely to have an impact on the company's customers. The directors therefore carefully monitor the performance of its customers and where necessary, make decisions quickly to safeguard the business.

## **Ablebox Limited**

### **Strategic Report for the Year Ended 30 April 2022**

#### **Further developments**

In July 2022 the business acquired a significant additional site at Sherborne providing additional factory space and larger offices making for a new Headquarters. Over the coming years the directors plan to utilise this factory with new high-quality and high-volume machinery, with a focus on automation, as the business looks to invest further in its journey to continued growth, utilising the large amount of available capacity in the recent corrugator investment, giving a more competitive edge to further support existing and future customer requirements.

Approved and authorised by the Board on 25 January 2023 and signed on its behalf by:

.....

S P Ainsworth

Director

# **Ablebox Limited**

## **Directors' Report for the Year Ended 30 April 2022**

The directors present their report and the financial statements for the year ended 30 April 2022.

### **Directors of the company**

The directors who held office during the year were as follows:

S P Ainsworth

A B Lloyd

J C Lloyd

T C Lloyd

The following director was appointed after the year end:

A L Takle (appointed 21 September 2022)

### **Financial instruments**

#### ***Objectives and policies***

The company's activities expose it to a number of financial risks, including credit risk, cash flow risk and liquidity risk. The use and nature of financial instruments are determined by the directors in the context of trading terms made available to the company by customers and suppliers, with the objective of securing the liquidity and profitability of the company.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

Price Risk - The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to price risk exceed any potential benefits.

Credit Risk - The company has implemented policies for its finance operations that require appropriate credit checks on potential customers before finance is given. The nature of the company's main operations does not give rise to significant credit risk.

Liquidity Risk - The company actively maintains debt finance in respect of bank loans, hire purchases and an invoice financing facility that is designed to ensure the company has sufficient available funds for operations and expansions. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Cash Flow risk - The company has interest bearing liabilities and has selected a mixture of short and longer term borrowings to ensure that the company can meet its working capital requirements. The directors will revisit the appropriateness of this policy should the company's situation change.

### **Future developments**

The company has taken advantage of Section 414C(11) of the Companies Act 2006 and included details of future developments in the Strategic Report.

## **Ablebox Limited**

### **Directors' Report for the Year Ended 30 April 2022**

#### **Disclosure of information to the auditors**

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 25 January 2023 and signed on its behalf by:

.....  
S P Ainsworth  
Director

## **Ablebox Limited**

### **Statement of Directors' Responsibilities**

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

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



# **Ablebox Limited**

## **Independent Auditor's Report to the Members of Ablebox Limited**

### **Opinion**

We have audited the financial statements of Ablebox Limited (the 'company') for the year ended 30 April 2022, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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.

# **Ablebox Limited**

## **Independent Auditor's Report to the Members of Ablebox Limited**

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of our 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 Statement of Directors' Responsibilities set out on page 6, 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Independent Auditor's Report to the Members of Ablebox Limited**

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were General Data Protection Regulations (GDPR), Health and Safety Regulations, ISO 9001, Environmental regulations and Employment Law.

We have also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies House Act 2006 and Corporation Taxes Acts 2009 and 2010.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations are deal with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance;
- Examined regulatory inspection reports in relation to the key laws and regulations which such reports had been made during the period and after the period; and
- Review of ICO website for any notifications.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions or fraud, of which management confirmed there had been none during or after the period.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were incentives relating to management bonuses and inflation of results reported to the principle supplier, and we determined that the principal risks were related to the overstatement of profit, either through overstating revenue or management bias in accounting estimates.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the financial statements for any indication of bias and challenged assumptions used by management in making the estimates; and

## **Ablebox Limited**

### **Independent Auditor's Report to the Members of Ablebox Limited**

- Undertook specific cut-off procedures in respect of revenue recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.

.....  
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Ground Floor

Blackbrook Gate 1

Blackbrook Business Park

Taunton

Somerset

TA1 2PX

26 January 2023

## Ablebox Limited

### Statement of Income and Retained Earnings

Year Ended 30 April 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	17,241,913	14,277,671
Cost of sales		<u>(12,547,519)</u>	<u>(9,639,739)</u>
Gross profit		4,694,394	4,637,932
Administrative expenses		(2,035,925)	(1,928,141)
Other operating income	<u>4</u>	<u>9,630</u>	<u>28,890</u>
Operating profit	<u>5</u>	<u>2,668,099</u>	<u>2,738,681</u>
Other interest receivable and similar income	<u>9</u>	414	157
Interest payable and similar charges	<u>10</u>	<u>(124,106)</u>	<u>(102,237)</u>
		<u>(123,692)</u>	<u>(102,080)</u>
Profit before tax		2,544,407	2,636,601
Taxation	<u>11</u>	<u>(783,237)</u>	<u>(513,251)</u>
Profit for the financial year		1,761,170	2,123,350
Retained earnings brought forward		5,066,723	4,069,892
Dividends paid	<u>22</u>	<u>(1,304,436)</u>	<u>(1,126,519)</u>
Retained earnings carried forward		<u><u>5,523,457</u></u>	<u><u>5,066,723</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

# Ablebox Limited

## Balance Sheet

30 April 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	<u>12</u>	9,974,205	9,530,280
<b>Current assets</b>			
Stocks	<u>13</u>	1,177,236	854,245
Debtors	<u>14</u>	3,879,498	3,085,391
Cash at bank and in hand		181,809	780,531
		<u>5,238,543</u>	<u>4,720,167</u>
<b>Creditors: Amounts falling due within one year</b>	<u>16</u>	<u>(4,503,993)</u>	<u>(3,839,715)</u>
<b>Net current assets</b>		<u>734,550</u>	<u>880,452</u>
<b>Total assets less current liabilities</b>		10,708,755	10,410,732
<b>Creditors: Amounts falling due after more than one year</b>	<u>16</u>	<u>(3,907,377)</u>	<u>(4,572,803)</u>
<b>Provisions for liabilities</b>	<u>20</u>	<u>(1,277,521)</u>	<u>(770,806)</u>
<b>Net assets</b>		<u>5,523,857</u>	<u>5,067,123</u>
<b>Capital and reserves</b>			
Called up share capital		210	210
Capital redemption reserve		190	190
Profit and loss account		<u>5,523,457</u>	<u>5,066,723</u>
Shareholders' funds		<u>5,523,857</u>	<u>5,067,123</u>

Approved and authorised by the Board on 25 January 2023 and signed on its behalf by:

.....

S P Ainsworth

Director

Company Registration Number: 02547129

# Ablebox Limited

## Statement of Cash Flows

Year Ended 30 April 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,761,170	2,123,350
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	627,838	580,273
Loss on disposal of tangible assets		35,800	14,981
Finance income	<u>9</u>	(414)	(157)
Finance costs	<u>10</u>	124,106	102,237
Income tax expense	<u>11</u>	783,237	513,251
		3,331,737	3,333,935
Working capital adjustments			
Increase in stocks	<u>13</u>	(322,991)	(5,148)
Increase in debtors	<u>14</u>	(794,107)	(449,165)
Increase/(decrease) in creditors	<u>16</u>	950,049	(14,858)
Decrease in deferred income, including government grants	<u>18</u>	(9,630)	-
Cash generated from operations		3,155,058	2,864,764
Income taxes paid	<u>11</u>	(421,296)	-
Net cash flow from operating activities		<u>2,733,762</u>	<u>2,864,764</u>
<b>Cash flows from investing activities</b>			
Interest received	<u>9</u>	414	157
Acquisitions of tangible assets		(768,384)	(910,921)
Proceeds from sale of tangible assets		9,360	108,178
Net cash flows from investing activities		<u>(758,610)</u>	<u>(802,586)</u>
<b>Cash flows from financing activities</b>			
Interest paid	<u>10</u>	(124,106)	(102,237)
Proceeds from bank borrowing draw downs		-	2,966,979
Repayment of bank borrowing		(409,810)	(1,714,971)
Payments to finance lease creditors		(735,861)	(437,353)
Dividends paid	<u>22</u>	(1,304,436)	(1,126,519)
Net cash flows from financing activities		<u>(2,574,213)</u>	<u>(414,101)</u>
Net (decrease)/increase in cash and cash equivalents		(599,061)	1,648,077
Cash and cash equivalents at 1 May		<u>780,531</u>	<u>(867,546)</u>
Cash and cash equivalents at 30 April		<u><u>181,470</u></u>	<u><u>780,531</u></u>

The notes on pages 14 to 28 form an integral part of these financial statements.

# **Ablebox Limited**

## **Notes to the Financial Statements**

### **Year Ended 30 April 2022**

#### **1 General information**

Ablebox limited is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office and principle place of business is:

Coldharbour Business Park

Sherborne

Dorset

DT9 4JW

These financial statements were authorised for issue by the Board on 25 January 2023.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. There are no material departures from FRS 102.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

##### **Going concern**

Despite the ongoing COVID-19 pandemic, inflationary pressures and global disruption in supply chains, the business continues to adapt where necessary and has enjoyed a successful year to 30 April 2022 with increased levels of revenue and maintained profitability.

Based on the Company's projections and cash flow forecasts to April 2024, which considers cost control, capital expenditure and has been stress tested for reasonably foreseeable circumstances, the directors are confident about the future of the company, and its ability to meet bank covenants, and, accordingly, have adopted the going concern basis for the preparation of these accounts.



# **Ablebox Limited**

## **Notes to the Financial Statements**

### **Year Ended 30 April 2022**

#### **Key accounting judgements and 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement in these financial statements is in respect of the going concern assessment. The directors are satisfied that, having considered post year end and forecasted financial performance for a period of no less than 12 months from the date of approval of the financial statements, having made all necessary enquiries and, in particular, considered the ongoing availability of bank and supplier finance facilities, that the going concern basis of preparation remains appropriate.

Another key judgement is in respect of the classification of software. Where software is integral to the company's operations and closely aligned with its plant and machinery, then the cost of such software is capitalised as a tangible fixed asset. The carrying amount is £803,985 (2021 - £854,236).

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

Tangible fixed assets are carried at cost, less accumulated depreciation and any subsequent accumulated impairment loss. This requires estimation of both the depreciation rates used and residual values (which are assessed annually). An assessment of the ongoing economic contribution of the assets of the company is undertaken to determine whether an indicator of impairment has occurred. The carrying amount is £9,974,205 (2021 - £9,530,280).

Stock is measured at the lower of cost and net realisable value. This requires estimation as to the net realisable value of each stock line, as to whether a provision is required. Management calculates impairments by considering the nature and condition of the stock and applies assumptions around anticipated saleability of finished goods and future usage of raw materials, overheads and labour. The carrying amount is £1,177,236 (2021 - £854,245).

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

Revenue from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer, usually on delivery of the goods.

#### **Government grants**

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

#### **Finance income and costs policy**

Finance costs are charged to profit or loss 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.

# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

#### Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	Not depreciated
Plant and Machinery	5-50% reducing balance or 5-50% straight line
Freehold Property	2-10% straight line
Motor Vehicles	33% reducing balance
Furniture, Fittings and equipment	33% reducing balance

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

# **Ablebox Limited**

## **Notes to the Financial Statements**

### **Year Ended 30 April 2022**

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Defined contribution pension obligation**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

#### Financial instruments

##### **Classification**

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Hire purchase and finance lease obligations;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### **Recognition and measurement**

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans and hire purchase and finance lease obligations, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Assets held under hire purchase and finance lease are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. The assets is subsequently measured as discussed in the tangible fixed asset accounting policy above. Finance lease obligations are subsequently measured at amortised cost using the effective interest method.

### 3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	17,241,913	14,277,671

All turnover was generated in the United Kingdom.

# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	9,630	28,890

#### 5 Operating profit

Arrived at after charging

	2022 £	2021 £
Depreciation expense	627,838	580,273
Loss on disposal of property, plant and equipment	35,800	14,981

#### 6 Auditor's remuneration

	2022 £	2021 £
Audit of the financial statements	13,250	16,744

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	3,394,339	2,779,404
Social security costs	350,724	275,694
Pension costs, defined contribution scheme	205,261	157,629
	3,950,324	3,212,727

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Production	70	62
Administration and support	32	28
	102	90

# Ablebox Limited

## Notes to the Financial Statements

Year Ended 30 April 2022

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	64,396	61,292
Contributions paid to money purchase schemes	19,733	10,440
	<u>84,129</u>	<u>71,732</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022 No.	2021 No.
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>1</u>

### 9 Other interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	-	157
Other finance income	414	-
	<u>414</u>	<u>157</u>

### 10 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	49,323	39,915
Interest on obligations under hire purchase contracts	74,783	62,322
	<u>124,106</u>	<u>102,237</u>

### 11 Taxation

Tax charged in the profit and loss account

	2022 £	2021 £
<b>Current taxation</b>		
UK corporation tax	276,522	359,750
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	262,170	153,501
Arising from changes in tax rates	244,545	-
Total deferred taxation	<u>506,715</u>	<u>153,501</u>
Tax expense in the income statement	<u>783,237</u>	<u>513,251</u>

# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	2,544,407	2,636,601
Corporation tax at standard rate	483,437	500,954
Effect of expenses not deductible	895	1,241
Deferred tax expense relating to changes in tax rates or laws	306,605	-
Increase in current tax from adjustment for prior periods	860	-
Tax (decrease)/increase from effect of capital allowances and depreciation	(8,560)	11,056
Total tax charge	783,237	513,251

#### Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2022</b>		
Fixed asset timing differences	-	1,281,761
Short term timing differences	4,240	-
	4,240	1,281,761
<b>2021</b>		
Fixed asset timing differences	-	774,520
Short term timing differences	2,854	-
	2,854	774,520

Deferred taxes at the Balance Sheet date have been measured using the enacted tax rate and reflected in these financial statements, which is currently 25%.

In the Finance Bill 2021, the UK Government announced that from 1 April 2023, the Corporation Tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

## Ablebox Limited

### Notes to the Financial Statements

Year Ended 30 April 2022

#### 12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Plant and machinery £	Operational software £	Total £
<b>Cost or valuation</b>							
At 1 May 2021	3,448,243	222,372	1,015,179	-	6,774,810	1,518,297	12,978,901
Additions	45,945	5,000	23,680	243,995	798,303	-	1,116,923
Disposals	-	-	(61,000)	-	(139,531)	-	(200,531)
At 30 April 2022	3,494,188	227,372	977,859	243,995	7,433,582	1,518,297	13,895,293
<b>Depreciation</b>							
At 1 May 2021	106,510	201,675	679,147	-	1,797,228	664,061	3,448,621
Charge for the year	59,568	8,067	110,135	-	399,817	50,251	627,838
Eliminated on disposal	-	-	(54,922)	-	(100,449)	-	(155,371)
At 30 April 2022	166,078	209,742	734,360	-	2,096,596	714,312	3,921,088
<b>Carrying amount</b>							
At 30 April 2022	3,328,110	17,630	243,499	243,995	5,336,986	803,985	9,974,205
At 30 April 2021	3,341,733	20,697	336,032	-	4,977,582	854,236	9,530,280



# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Plant and machinery	3,981,074	3,442,808
Motor vehicles	184,214	256,118
	<u>4,165,288</u>	<u>3,698,926</u>

#### Restriction on title and pledged as security

Assets with a carrying amount of £9,974,205 (2021 - £9,530,280) has been pledged as security for the bank borrowings of the company.

Included within the net book value of land and buildings above is £3,328,110 (2021 - £3,341,733) in respect of freehold land and buildings. Included within the net book value of freehold land and buildings above is land with a cost of £450,000 (2021 - £450,000) which is not depreciated.

### 13 Stocks

	2022 £	2021 £
Raw materials and consumables	721,694	460,131
Finished goods and goods for resale	388,145	351,862
Other inventories	67,397	42,252
	<u>1,177,236</u>	<u>854,245</u>

### 14 Debtors

	2022 £	2021 £
Trade debtors	3,638,612	2,875,816
Other debtors	-	3,000
Prepayments	240,886	206,575
	<u>3,879,498</u>	<u>3,085,391</u>

# Ablebox Limited

## Notes to the Financial Statements

Year Ended 30 April 2022

### 15 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	687	-
Cash at bank	181,122	780,531
	181,809	780,531
Bank overdrafts	(339)	-
Cash and cash equivalents in statement of cash flows	181,470	780,531

### Analysis of cash and cash equivalents and net debt

	At 1 May 2021 £	Cash flow £	Non-cash movements	At 30 April 2022 £
Cash at bank and on hand	780,531	(598,722)	-	181,809
Bank overdrafts	-	(339)	-	(339)
Cash and cash equivalents	780,531	(599,061)	-	181,470
Bank borrowings due within one year	(410,579)	409,810	(290,687)	(291,456)
Bank borrowings due in more than one year	(2,058,582)	-	290,687	(1,767,895)
Hire purchase liabilities due within one year	(703,539)	851,999	(829,786)	(681,326)
Hire purchase liabilities due in more than one year	(2,350,511)	-	365,109	(1,985,402)
Net debt	(4,742,680)	662,748	(464,677)	(4,544,609)

# Ablebox Limited

## Notes to the Financial Statements

Year Ended 30 April 2022

### 16 Creditors

	Note	2022 £	2021 £
<b>Due within one year</b>			
Loans and borrowings	<u>17</u>	973,121	1,114,118
Trade creditors		2,301,351	1,595,378
Social security and other taxes		696,654	479,418
Other creditors		280,856	263,214
Accruals		80,488	71,290
Corporation tax	<u>11</u>	171,523	316,297
		<u>4,503,993</u>	<u>3,839,715</u>
<b>Due after one year</b>			
Loans and borrowings	<u>17</u>	3,753,297	4,409,093
Deferred income	<u>18</u>	154,080	163,710
		<u>3,907,377</u>	<u>4,572,803</u>

### 17 Loans and borrowings

	2022 £	2021 £
<b>Current loans and borrowings</b>		
Bank borrowings	291,456	410,579
Bank overdrafts	339	-
Hire purchase contracts	681,326	703,539
	<u>973,121</u>	<u>1,114,118</u>
<b>Non-current loans and borrowings</b>		
Bank borrowings	1,767,895	2,058,582
Hire purchase contracts	1,985,402	2,350,511
	<u>3,753,297</u>	<u>4,409,093</u>

#### Bank borrowings

The bank loans are denominated in sterling with interest rates ranging from 1.75% to 3.99% above base rate and the final instalment is due on 31 July 2034. The carrying amount at year end of the bank loans is £2,059,351 (2021 - £2,469,161).

The bank loans are secured by a legal charge over the assets of the company, including fixed assets, stock and debtors.

# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

#### Other borrowings

Hire purchase contracts is denominated in sterling with a nominal interest rate of 5.11%, and the final instalment is due on 31 October 2031. The carrying amount at year end is £2,666,728 (2021 - £3,054,050).

Hire purchase liabilities are secured on the assets to which they relate.

Included in the loans and borrowings are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	959,438	1,081,842

#### 18 Deferred income

	£
At 1 May 2021	163,710
Released to profit during the year	(9,630)
At 30 April 2022	154,080

#### 19 Obligations under leases and hire purchase contracts

##### Hire purchase

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	714,880	765,692
Later than one year and not later than five years	1,431,182	1,587,637
Later than five years	681,675	779,057
	2,827,737	3,132,386

# Ablebox Limited

## Notes to the Financial Statements

### Year Ended 30 April 2022

#### Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	147,642	141,000
Later than one year and not later than five years	548,186	539,626
Later than five years	512,000	640,000
	<u>1,207,828</u>	<u>1,320,626</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £146,371 (2021 - £141,000).

#### 20 Provisions for liabilities

	Deferred tax £	Total £
At 1 May 2021	770,806	770,806
Increase in existing provisions	506,715	506,715
At 30 April 2022	<u>1,277,521</u>	<u>1,277,521</u>

#### 21 Share capital

##### Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary A shares of £0.01 each	11,025	110	11,025	110
Ordinary C shares of £0.01 each	5,250	53	5,250	53
Ordinary D shares of £0.01 each	1,575	16	1,575	16
Ordinary E shares of £0.01 each	3,150	32	3,150	32
	<u>21,000</u>	<u>210</u>	<u>21,000</u>	<u>210</u>

# Ablebox Limited

## Notes to the Financial Statements

Year Ended 30 April 2022

### 22 Dividends

#### Interim dividends paid

	2022 £	2021 £
Interim dividend on ordinary shares	1,304,436	1,126,519

Subsequent to the financial year end, the directors have declared an interim dividend of £411,863. The dividend has not been accrued in the Balance Sheet.

### 23 Non adjusting events after the financial period

In July 2022 the company purchased a property for £4,550,000 which it financed with a mortgage of £4,055,000.

In July 2022 the company put one of the items of plant and machinery on finance. The total amount financed was £327,060.

### 24 Pension scheme

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £205,261 (2021 - £157,629).

Contributions totalling £16,961 (2021 - £27,437) were payable to the scheme at the year end and are included in other creditors.

### 25 Related party transactions

#### Dividends paid to directors

	2022 £	2021 £
Dividend paid	1,304,436	1,126,519

#### Other transactions with directors

During the year the directors maintained loan accounts with the company. Advances of £1,305,436 (2021 - £1,151,984) were made and repayments of £1,302,896 (£1,126,519). At year end the company owed the directors £30,166 (2021 - £28,626). At the year end £Nil (2021 - £1,071) was owed by the directors to the company.

#### Summary of transactions with other related parties

##### Director's pension fund

The company charged rent of £128,066 (2021 - £120,062) during the year. At the balance sheet date, the amount due to the pension fund was £nil (2021 - £nil).

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