REGISTERED NUMBER: 02783546 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

FOR

ECOPAC (U.K.) LIMITED

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Unit 2, Charnwood Edge Business Park
Syston Road
Leicestershire
LE7 4UZ

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 30 April 2022

COMPANY INFORMATION
for the year ended 30 April 2022

DIRECTORS:	J P Bennett I Gray P D Atkinson J Macdonald
REGISTERED OFFICE:	Siskin Parkway East Middlemarch Business Park Coventry CV3 4PE
REGISTERED NUMBER:	02783546 (England and Wales)
AUDITORS:	Magma Audit LLP Chartered Accountants Statutory Auditor Unit 2, Charnwood Edge Business Park Syston Road Leicestershire LE7 4UZ

STRATEGIC REPORT
for the year ended 30 April 2022

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

REVIEW OF BUSINESS

Principal activity
The principal activity of the Company is the distribution of packaging products. The Company is a wholly owned subsidiary of Carnweather Limited, a company registered in England. The ultimate parent company is Macfarlane Group PLC ("the Group"), a company registered in Scotland and listed on the London Stock Exchange. Further information is contained in the consolidated accounts for Macfarlane Group PLC, which can be accessed at www.macfarlanegroup.com.

The directors are satisfied with the performance for the year.

PRINCIPAL RISKS AND UNCERTAINTIES
As a distributor in a market where products are vulnerable to commodity-based raw material prices and manufacturer energy costs, profitability is sensitive to supplier price changes, including changes relating to exchange rate movements. The Company works closely with its supplier base to manage effectively the pass through of supplier price changes to the customer base.

The Company has a significant investment in working capital in the form of trade debtors and stocks and there is a risk that this investment is not fully recovered. This risk is mitigated by applying rigour to the management of trade debtors. Stock levels and order patterns are regularly reviewed.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES
The Company's principal financial assets are trade debtors and the Company's credit risk is primarily attributable to its trade debtors. The Company has no significant concentration of credit risk, with its exposure spread over a large number of customers. The Company's principal financial liabilities are bank borrowings, trade creditors, obligations under finance leases and intercompany creditors, which are paid under standard terms. The Directors believe that the Company is adequately placed to manage its financial risks given the current economic outlook.

GOING CONCERN
The financial statements have been prepared on a going concern basis. On 1 April 2022 the trade and assets of the Company were hived-up to Macfarlane Group UK Limited, a fellow subsidiary of Macfarlane Group PLC. No adjustments were necessary to the assets and liabilities that are included in the financial statements at 30 April 2022.

ON BEHALF OF THE BOARD:

I Gray - Director

23 January 2023

REPORT OF THE DIRECTORS
for the year ended 30 April 2022

The directors present their report with the financial statements of the company for the year ended 30 April 2022.

PRINCIPAL ACTIVITY
The wholesaling of packaging materials, until 31 March 2022 when the company ceased to trade.

PERFORMANCE REVIEW
The Company traded for the eleven months to 31 March 2022 and on 1 April 2022 the trade and assets of the Company were hived-up to Macfarlane Group UK Limited, a fellow subsidiary of Macfarlane Group PLC. Accordingly, all references to results and trading relate to the eleven-month period ending 31 March 2022. The results for the year are detailed in the profit and loss account on page 7 and the profit for the financial year of £587,000 (2021: £419,000) has been transferred to reserves.

DIVIDENDS
Dividends of £300,000 were paid during the current year (2021: £350,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 May 2021 to the date of this report.

J P Bennett
I Gray
P D Atkinson
J Macdonald

FINANCIAL INSTRUMENTS
The Company does not use complex financial instruments. The Company's financial instruments comprise cash and other items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company has not entered into any derivative financial instruments. The Company does not believe it will be exposed to any significant risks due to the nature of the financial instruments in the operation.

EMPLOYMENT OF DISABLED PERSONS
Company policy is to encourage the employment of disabled persons where the disabilities do not hinder these persons in the performance of their duties. Where an employee becomes disabled every effort is made to re-settle that employee in a suitable post. Registered disabled persons, once employed, receive equal opportunities for training, career development and promotion.

EMPLOYEE INVOLVEMENT
The Directors recognise the importance of meaningful communication and consultation in maintaining good employee relations.

PARENT COMPANY
The Company is a wholly owned subsidiary of Carnweather Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

New auditors will be proposed for appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

I Gray - Director

23 January 2023

Opinion
We have audited the financial statements of Ecopac (U.K.) Limited (the 'company') for the year ended 30 April 2022 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity 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 101 'Reduced Disclosure Framework' (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 Auditors' 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 directors' 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 financial statements are 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry, we have identified that the principal risks of non-compliance with laws and regulations, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging assumptions made by management in their accounting estimates
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. The more removed non-compliance with laws and regulations is, from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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 by forgery or intentional misrepresentation, for example, or through collusion.

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

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

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 a Report of the Auditors 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.

Luke Turner FCA FCCA (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Unit 2, Charnwood Edge Business Park
Syston Road
Leicestershire
LE7 4UZ

26 January 2023

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 April 2022

	Notes	2022 £'000	2021 £'000
TURNOVER		**7,110**	6,133
Cost of sales		**(5,017)**	(4,205)
GROSS PROFIT		**2,093**	1,928
Administrative expenses		**(1,435)**	(1,392)
OPERATING PROFIT		**658**	536
Interest payable and similar expenses	3	**(65)**	(6)
PROFIT BEFORE TAXATION	4	**593**	530
Tax on profit	5	**(168)**	(111)
PROFIT FOR THE FINANCIAL YEAR		**425**	419
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**425**	419

The notes form part of these financial statements

BALANCE SHEET
30 April 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	7	-	88
Right of use assets	8	-	33
		-	121
CURRENT ASSETS			
Stocks		-	438
Debtors	10	**1,330**	1,331
Cash at bank		-	586
		1,330	2,355
CREDITORS			
Amounts falling due within one year	11	-	(1,257)
NET CURRENT ASSETS		**1,330**	1,098
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,330**	1,219
PROVISIONS FOR LIABILITIES	14	-	(14)
NET ASSETS		**1,330**	1,205
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Retained earnings	16	**1,330**	1,205
SHAREHOLDERS' FUNDS		**1,330**	1,205

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

The financial statements were approved by the Board of Directors and authorised for issue on 23 January 2023 and were signed on its behalf by:

I Gray - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2020	-	1,136	1,136
Changes in equity			
Profit for the year	-	419	419
Total comprehensive income	-	419	419
Dividends	-	(350)	(350)
Balance at 30 April 2021	-	1,205	1,205
Changes in equity			
Profit for the year	-	425	425
Total comprehensive income	-	425	425
Dividends	-	(300)	(300)
Balance at 30 April 2022	-	1,330	1,330

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation
Ecopac (U.K.) Limited is a private company limited by shares, incorporated and domiciled in England and Wales. The Company's registered office is Siskin Parkway East, Middlemarch Business Park, Coventry CV3 4PE.

The Company meets the definition of a qualifying entity under "FRS 100 Application of Financial Reporting Requirements" issued by the FRC and accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where FRS 101 disclosure exemptions have been applied.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Company's ultimate parent undertaking, Macfarlane Group PLC includes the Company in its consolidated financial statements. Under Section 401 of the Companies Act 2006, the Company is therefore exempt from the requirement to prepare group financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

The consolidated financial statements of Macfarlane Group PLC are prepared in accordance with Adopted IFRSs and are available on the Group website www.macfarlanegroup.com and may be obtained from 3 Park Gardens, Glasgow, G3 7YE.

The Company has applied the exemptions available under FRS 101 in these financial statements in respect of the following disclosures:
(i) Cash flow statement and related notes;
(ii) Comparative period reconciliations for share capital, tangible assets, Right of Use assets and intangible assets;
(iii) Disclosures in respect of transactions with wholly owned subsidiaries;
(iv) Disclosures in respect of capital management;
(v) The effects of new but not yet effective IFRSs; and
(vi) Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Macfarlane Group PLC include equivalent disclosures, the Company has also applied the exemptions under FRS 101 available for the following disclosures:
(i) Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets;
(ii) Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
(iii) Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Going concern

The financial statements have been prepared on a going concern basis. On 1 April 2022 the trade and assets of the Company were hived-up to Macfarlane Group UK Limited, a fellow subsidiary of Macfarlane Group PLC. No adjustments were necessary to the assets and liabilities that are included in the financial statements at 30 April 2022.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. Due to the nature of estimation, the actual outcomes may well differ form the estimates, No significant judgements have been made in the current or prior year.

Valuation of trade receivables

continued...

The provision held against trade receivables is based on applying an expected credit loss model and related estimates of recoverable amounts, as detailed in note 14. Whilst every attempt is made to ensure that the provision held against doubtful trade receivables is as accurate as possible, there remains a risk that the provision may not match the level of debt which ultimately proves uncollectable. An increase in the average default rate of trade receivables beyond terms from 0.50% to 1.50% above the historic loss rates observed would lead to an increase in the provision of £4,000.

Application of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the preparation of these financial statements.

The financial statements are prepared on the historical cost basis except that certain of the following assets and liabilities are stated at their fair value as explained on the following pages.

Revenue recognition
The Company is engaged in the design, manufacturing and distribution of packaging materials to customers. Revenue is not recognised if there is significant uncertainty regarding the recovery of the revenue consideration. Revenue represents amounts receivable for goods provided to third parties in the normal course of business, net of discounts, customer rebates, VAT and other sales related taxes.

IFRS 15 'Revenue from Contracts with Customers' requires the Company to apportion revenues from customer contracts to separate performance obligations and recognise revenues as each performance obligation is satisfied. The Company has reviewed its arrangements with customers and concluded that the Company's revenue is generated from the delivery of packaging materials to customers and this represents a single performance obligation. The Company does not enter into any repurchase agreements. It is therefore appropriate to recognise revenue at the point of transfer of goods to the customer, consistent with the revenue recognition framework in IFRS 15.

Tangible fixed assets
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. No depreciation is provided on land. Depreciation is calculated at fixed rates on a reducing balance basis to write off the cost or valuation of the assets to their estimated residual values over the period of their expected useful lives. The rates of depreciation vary between 15% - 25% per annum on plant and equipment. Rates of depreciation are reviewed annually to ensure they remain relevant and residual values are reviewed once in each calender year.

From 1 January 2022, the company changed it's depreciation rates to between 10% - 33% straight line for property, plant and equipment to align with the group accounting policy.

1. **ACCOUNTING POLICIES - continued**

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less an allowance for expected credit losses ("ECL").

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised costs using the effective interest method.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets
Financial assets categories as investments, comprise investments in debt and equity securities and are initially recognised at fair value with any subsequent gains or losses recognised in the profit and loss accounts.

Other financial assets comprise trade and other debtors that have fixed or determinable recoveries and are classified as trade, intercompany and other debtors. The classification takes account of the nature and purpose of the financial assets and is determined on initial recognition. These are measured at amortised cost less impairment under the expected credit loss model.

Indicators are assessed for the impairment of financial assets at each balance sheet date. Financial assets are impaired when there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted. For trade debtors the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors where the carrying amount is measured on an expected credit loss model at inception rather than an incurred loss model. When a trade debtor is uncollectible, it is written off against the provision made on inception or at a previous reporting period end. Subsequent recoveries of amounts previously written off are credited against the provision in accordance with IFRS 9. Changes in the carrying value of the provision are recognised in the profit and loss accounts.

Cash at bank and in hand comprise cash on hand and on demand deposits, readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Financial liabilities and equity instruments
Financial liabilities and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Financial liabilities comprise solely other financial liabilities under the terms of IFRS 7. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost, with interest expense measured on an effective yield basis.

Equity instruments are any contracts evidencing a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments were not used in the current or preceding year.

continued...

1. **ACCOUNTING POLICIES - continued**

Stocks
Stocks are stated at the lower of cost and net realisable value. Such cost is determined by purchase costs and is stated less any provisions required for obsolescence. In the case of work in progress and finished goods, cost comprises material and labour costs plus attributable manufacturing overheads, based on normal operating capacity.

Taxation
The tax expense represents the sum of the current tax payable and deferred tax.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss account as it excludes items of income and expense that are taxable or deductible in other years and also excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances represent the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets and liabilities are not discounted.

The carrying value of deferred tax liabilities is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also recorded in the statement of other comprehensive income.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

continued...

1. **ACCOUNTING POLICIES - continued**

Leases and right of use ("rou") assets
The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets below £4,000. For these short-term or low value leases, the Company recognises the lease payments as an operating expense disclosed in administrative expenses on a straight-line basis over the term of the lease.

For all other leases the lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the liability by payments made. The Company remeasures the lease liability (and adjusts the related right-of-use asset) whenever the lease term has changed or a lease contract is modified and the modification is not accounted for as a separate lease.

ROU assets comprise the initial measurement of the corresponding lease liability and are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the asset. Depreciation starts on commencement date of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient and has separated out the non-lease components for its leases. These non-lease components, typically servicing and maintenance costs, have been recognised as an expense on a straight-line basis and disclosed in administrative expenses in the profit and loss account.

The Company's incremental borrowing rates applied to lease liabilities in 2022 is 4% (2021: 2.75%).

ROU assets are tested for impairment in accordance with IAS 36 Impairment of Assets.

Movements in lease liabilities and ROU assets in 2022 are set out in note 8, 12 and 13.

Retirement benefit costs

The Company is a participating employer in the Group's defined contribution pension plans, which are available to all staff. A defined contribution scheme is a post-employment benefit scheme under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

2. **EMPLOYEES AND DIRECTORS**

	2022	2021
	£'000	£'000
Wages and salaries	**760**	694
Social security costs	**65**	41
Other pension costs	**22**	33
	847	768

The average number of employees during the year was as follows:

	2022	2021
Sales and distribution	**13**	11
Administration	**5**	6
	18	17

2. **EMPLOYEES AND DIRECTORS - continued**

	2022	2021
	£	£
Directors' remuneration	**96,199**	83,035
Directors' pension contributions to money purchase schemes	**4,803**	6,836

Retirement benefits accrue to three directors (2021: three) under the parent company's pension schemes. These directors are remunerated by Macfarlane Group PLC, the ultimate parent company. They are not remunerated for their services as directors of Ecopac (U.K.) Limited and therefore there is no directors' remuneration included in the costs set out above.

On 1 May 2019, all employees of Ecopac (U.K.) Limited, transferred into the employment of Macfarlane Group UK Limited. All employee costs are now borne by that Company and costs incurred for employees recharged to each of the companies as set out above.

3. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Interest on lease obligations	65	6
	65	6

4. **PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging/(crediting):

	2022	2021
	£	£
Leases	**170**	31
Depreciation - owned fixed assets	**29**	34
Depreciation - ROU assets	**204**	264
Profit on disposal of fixed assets	**(2)**	-
Auditors' remuneration	**13**	6

5. **TAXATION**

Analysis of tax expense

	2022	2021
	£'000	£'000
Current tax:		
Tax	**162**	113
Adjustment to prior years	**6**	-
Total current tax	**168**	113
Deferred tax	**-**	(2)
Total tax expense in statement of comprehensive income	**168**	111

continued...

5. **TAXATION - continued**

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Profit before income tax	**593**	530
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	**113**	101
Effects of:		
Expenses not deductible for tax purposes	**7**	10
Adjustment to prior years	**6**	-
Market value uplift on stock	**42**	-
Tax expense	**168**	111

The average rate of current tax for the year, based on the UK standard rate of corporation tax, is 19% (2021: 19%).

6. **DIVIDENDS**

Amounts recognised as distributions to equity holders in the year

	2022	2021
	£	£
Interim dividend of £3,947.37 per share	300	-
Interim dividend of £4,605.26 per share	-	350
	300	350

7. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £'000
COST	
At 1 May 2021	**442**
Additions	**53**
Disposals	**(6)**
Transfer to ownership	**(489)**
At 30 April 2022	**-**
DEPRECIATION	
At 1 May 2021	**354**
Charge for year	**29**
Eliminated on disposal	**(6)**
Transfer to ownership	**(377)**
At 30 April 2022	**-**
NET BOOK VALUE	
At 30 April 2022	**-**
At 30 April 2021	88

continued...

8. RIGHT OF USE ASSETS

	Right of use assets £'000
COST	
At 1 May 2021	**561**
Lease modifications	**2,542**
Transfer	**(3,103)**
At 30 April 2022	**-**
PROVISIONS	
At 1 May 2021	**528**
Provision for year	**204**
Lease modifications	**(561)**
Transfer	**(171)**
At 30 April 2022	**-**
NET BOOK VALUE	
At 30 April 2022	**-**
At 30 April 2021	33

9. STOCKS

	2022 £	2021 £
Finished goods	-	438
	-	438

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade debtors	-	1,009
Amounts owed by group undertakings	**1,330**	200
Other debtors	-	12
Prepayments and accrued income	-	110
	1,330	1,331

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Leases (see note 12)	-	3
Trade creditors	-	892
Tax	-	113
VAT	-	66
Accruals and deferred income	-	183
	-	1,257

continued...

12. FINANCIAL LIABILITIES - BORROWINGS

	2022 £'000	2021 £'000
Current:		
Leases (see note 13)	-	3

13. LEASING

Lease liabilities
Minimum lease payments fall dues as follows:

	2022 £	2021 £
Gross obligations repayable:		
Within one year	-	3
	-	3
Finance charges repayable:	-	1
Net obligations repayable:		
Within one year	-	1

From 1st April 2022, leases were transferred to Macfarlane Group UK Limited as part of the hive-up of the trade and assets of the company.

14. PROVISIONS FOR LIABILITIES

	2022 £'000	2021 £'000
Deferred tax	-	14

	Deferred tax £'000
Balance at 1 May 2021	14
Provided during year	6
Transfer	(20)
Balance at 30 April 2022	-

Deferred tax liabilities at 30 April 2022 have been calculated based on a long-term corporation tax rate of 19%.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
76	Ordinary shares of £1 each	1	76	76

The company has one class of ordinary shares, which carry equal rights in relation to voting, entitlement to dividends and entitlement on any winding up of the Company.

continued...

16. **RESERVES**

Retained earnings
Retained earnings includes all current and prior period retained profits and losses.

17. **RELATED PARTY DISCLOSURES AND RELATED UNDERTAKINGS**

The Company has related party relationships with

(i) its ultimate parent company, Macfarlane Group PLC;
(ii) its immediate parent company Carnweather Limited and other fellow subsidiary companies, and
(iii) its Directors.

The Company's related undertakings are the ultimate parent company, disclosed in note 18 and its immediate parent company and fellow subsidiary undertakings.

Directors' remuneration is set out in note 2. P. D. Atkinson and J. Macdonald are also directors of the parent company and their remuneration is disclosed in the accounts of Macfarlane Group PLC. I Gray was a director of Macfarlane Group PLC and Macfarlane Group UK Limited during the year and his remuneration is disclosed in the results of those companies.

The Directors have considered the implications of IAS24 "Related Party Disclosures" and are satisfied that there are no other related party transactions occurring during the year, which require disclosure other than those already disclosed in these financial statements.

18. **ULTIMATE CONTROLLING PARTY**

The ultimate parent company is Macfarlane Group PLC, a company registered in Scotland. Macfarlane Group PLC is the parent undertaking of the smallest and largest group, which includes the Company and for which group financial statements are prepared. Group financial statements may be obtained from Macfarlane Group PLC's registered office at 3 Park Gardens, Glasgow, G3 7YE.