

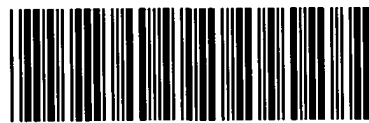
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**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN  
PAPER BOARD LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**COMPANY INFORMATION**

<b>Directors</b>	J F Curran P A Curran R W P E Houben (resigned 17 August 2021) K D Bergner (resigned 1 March 2023) C J V D Kooi (appointed 31 March 2023)
<b>Company secretary</b>	P A Curran
<b>Registered number</b>	03503260
<b>Registered office</b>	Engine Shed Lane Skipton North Yorkshire BD23 1TX
<b>Independent auditor</b>	KPMG LLP Chartered Accountants & Statutory Auditors 1 Sovereign Square Sovereign Street Leeds LS1 4DA
<b>Bankers</b>	National Westminster Bank Plc Exchange Buildings High Street Skipton North Yorkshire BD23 1JA
<b>Solicitors</b>	Walker Foster Solicitors 3 High Street Skipton North Yorkshire BD23 1AA

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**CONTENTS**

	Page
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditor's report</b>	<b>5 - 8</b>
<b>Statement of income and retained earnings</b>	<b>9</b>
<b>Statement of financial position</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 24</b>

# **SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

### **Introduction**

The directors have pleasure in presenting their report and the financial statements of the company for the period ended 31 December 2021.

### **Business review**

The principal activity of the company for the year under review was that of a manufacturer of boxes used for packaging. The company trades from their registered office of Engine Shed Lane, Skipton, North Yorkshire, BD23 1TX.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and company's position at the year end. The review is consistent with the size and noncomplex nature of the business and is written in the context of the risks and uncertainties faced.

### **Principal risks and uncertainties**

The business environment in which the company operates continues to be challenging. The principal risks continue to be the general economic climate as well as bad debts.

With these risks and uncertainties in mind, the directors are aware that any plans for future development of the business may be subject to unforeseen future events outside our control.

### **Financial risks**

The company's operations expose it to a variety of financial risks that include the effect of changes in credit, liquidity, exchange rate risk and interest rate risk. The company has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

### **Credit risk**

The company has implemented policies that require appropriate credit checks on customers before sales are made.

### **Liquidity risk**

The directors believe that the company has sufficient funds available to support its activities in the future. The directors have maintained a strong cash position keeping the balance sheet strong, to help safeguard the future of the business and to guard against any unforeseen circumstances.

In order to mitigate the liquidity risk, the company has sold Trade Receivables through an off-balance factoring facility.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Brexit risk**

The directors are aware of the risks and uncertainties surrounding the UK's withdrawal from the European Union. Whilst the company has limited exposure to the direct uncertainty created by in respect of the various risks mentioned, the directors are aware that any future plans may be subject to unforeseen circumstances outside of the directors' control. The company has therefore implemented policies that maintained a strong balance sheet to minimise these risks and allow the continuing operational capabilities of the business.

**COVID-19**

The directors are aware of the risks and uncertainties surrounding the global pandemic. Whilst the company has limited exposure to the direct uncertainty created due to its position within its business sector, the directors are aware that any future plans may be subject to unforeseen circumstances outside of the directors' control. Further details of how the company has minimised these risks can be seen in the notes to the financial statements.

**Financial key performance indicators**

The directors consider the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

The directors have implemented a strategy to enable growth, entering new markets and diversifying the business, based on a 3-10 year plan.

Gross profitability margins have decreased from 23.5% to 20.62%.


Operating profit at the period end was £2,990,592.

Profit before taxation at the period end was £3,233,016.

After taxation and dividends, shareholders funds have increased from £9,133,630 to £11,841,928.

Return on capital employed has decreased from 28.5% to 25.07%. Return on capital employed is calculated as operating profit divided by capital employed, which constitutes total assets less current liabilities.

This report was approved by the board and signed on its behalf.

  
.....  
J.F. Curran  
Director  
Date:

21 June 2023

# **SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### **Results and dividends**

The profit for the year, after taxation, amounted to £2,708,298 (2020 - £2,749,597).

The directors have not recommended a final dividend.

### **Directors**

The directors who served during the year were:

J F Curran  
P A Curran  
R W P E Houben (resigned 17 August 2021)  
K D Bergner (resigned 1 March 2023)

### **Political contributions**

The company has made no political donations or incurred any political expenditure during the year.

### **Future developments**

The directors are not expecting to make any significant changes in the nature of the business in the near future.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Going concern**

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, which indicate that taking account of severe but plausible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for the period.

**Matters covered in the Strategic report**

Information is not shown in the Directors' report because it is shown in the Strategic Report instead under s414C (11) of the Companies Act. The Strategic Report includes a business review, principal risks and uncertainties and financial key performance indicators.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

  
.....  
J.F. Curran

Director

Date:

21 June 2023

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**Opinion**

We have audited the financial statements of Solidus Packaging Solutions Limited (formerly Northern Paper Board Limited) (the 'Company') for the year ended 31 December 2021, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.



**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED) (CONTINUED)**

**Fraud and breaches of laws and regulations – ability to detect**

**Identifying and responding to risks of material misstatements due to fraud**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue and cash journal entries posted to unexpected accounts.
- Testing a selection of revenue items close to the year end to ensure they were recorded in the correct accounting period.

**Identifying and responding to risks of material misstatement related to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and from inspection of the Company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, tax laws and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED) (CONTINUED)**

**Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Strategic and directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**Directors responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED) (CONTINUED)**

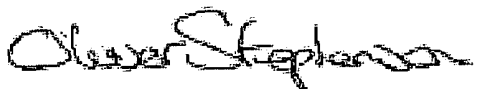
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Oliver Stephenson**  
(Statutory Auditor)  
for and on behalf of KPMG LLP  
Chartered Accountants  
1 Sovereign Square  
Sovereign Street  
Leeds LS1 4DA

Date: 21 June 2023

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	26,495,734	18,369,129
Cost of sales		(21,031,783)	(14,061,071)
<b>Gross profit</b>		<b>5,463,951</b>	<b>4,308,058</b>
Administrative expenses		(2,609,655)	(1,684,380)
Other operating income	5	136,296	12,459
<b>Operating profit</b>	6	<b>2,990,592</b>	<b>2,636,137</b>
Interest receivable and similar income	10	258,751	3,774
Interest payable and similar expenses	11	(16,327)	(25,865)
<b>Profit before tax</b>		<b>3,233,016</b>	<b>2,614,046</b>
Tax on profit	12	(524,718)	135,551
<b>Profit after tax</b>		<b>2,708,298</b>	<b>2,749,597</b>
Retained earnings at the beginning of the year		9,133,630	6,384,033
		9,133,630	6,384,033
Profit for the year		2,708,298	2,749,597
<b>Retained earnings at the end of the year</b>		<b>11,841,928</b>	<b>9,133,630</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 24 form part of these financial statements.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**  
**REGISTERED NUMBER: 03503260**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	<u>161,825</u>	<u>172,238</u>
		<b>161,825</b>	<b>172,238</b>
<b>Current assets</b>			
Stocks	14	1,671,882	1,193,959
Debtors: amounts falling due within one year	15	16,878,239	8,213,215
Cash at bank and in hand	16	<u>2,344,249</u>	<u>2,907,192</u>
		<b>20,894,370</b>	<b>12,314,366</b>
Creditors: amounts falling due within one year	17	<u>(9,214,265)</u>	<u>(3,252,031)</u>
<b>Net current assets</b>		<b>11,680,105</b>	<b>9,062,335</b>
<b>Total assets less current liabilities</b>		<b>11,841,930</b>	<b>9,234,573</b>
Creditors: amounts falling due after more than one year	18	-	(100,941)
<b>Net assets</b>		<b>11,841,930</b>	<b>9,133,632</b>
<b>Capital and reserves</b>			
Called up share capital	20	2	2
Profit and loss account		<u>11,841,928</u>	<u>9,133,630</u>
		<b>11,841,930</b>	<b>9,133,632</b>

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

  
**J F Curran**  
 Director

Date: 21 June 2023

The notes on pages 11 to 24 form part of these financial statements.

## **SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

Solidus Packaging Solutions Limited (formerly Northern Paper Board Limited) is engaged in the manufacture of boxes used for packaging operating from their registered office located in Engine Shed Lane, Skipton, North Yorkshire, BD23 1TX.

The company is a private company, limited by shares, incorporated and domiciled in the United Kingdom. The company is a tax resident in the United Kingdom.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 3).

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation
- the requirements of Section 11 Financial Instruments
- the requirements of Section 12 Other Financial Instruments
- the requirements of Section 26 Share-based Payment
- the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of Solidus Solutions Holding B.V. as at 31 December 2021 and these financial statements may be obtained from Hoofdstraat 34, Bad Nieuweschans, Groningen, Netherlands, 9693 AH.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.3 Going concern**

The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, these forecasts include a severe but plausible downside scenario which models amongst other items the impact of the loss of major customers, alongside further substantial increase in raw material prices and energy costs. These forecasts indicate, even under the severe but plausible scenario that Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Company has a strong asset base and significant cash balances, consequently, the Directors are confident the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**2.4 Revenue**

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

**Sale of goods**

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

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

**2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each 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 profit or loss.

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.6 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Plant and machinery	- 25% - 50% on cost
Motor vehicles	- 25% on cost
Fixtures and fittings	- 25% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.8 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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



**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.9 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.10 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.11 Finance costs**

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.

**2.12 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.13 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in 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.

**2.14 Debtors**

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

**2.15 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.

**2.16 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.

## SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.17 Financial instruments

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

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

The company derecognises the financial asset only when:

- (a) the contractual rights to the cash flows from the financial asset expire or are settled; or
- (b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (c) the entity, despite having retained some, but not substantially all, risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the company shall:
  - (i) derecognise the asset; and
  - (ii) recognise separately any rights and obligations retained or created in the transfer.

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised in accordance with this paragraph shall be recognised in profit or loss in the period of the transfer.

The company has entered into a "multi-country factoring agreement" with ING Commercial Finance Belux NV (ING) to sell qualifying debtors for cash. The legal and economical ownership of the debtors will be transferred to ING in exchange for cash, the company will continue to administer the receivables as a service for ING.

##### 2.18 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The directors consider the key accounting estimates to be the useful life of assets and provision for trade debtors. The useful lives of assets are reviewed on a regular basis by the directors. Provisions for trade debtors are reviewed by the directors on an ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements.

**4. Turnover**

All turnover arose within the United Kingdom.

**5. Other operating income**

	2021 £	2020 £
Other operating income	136,296	12,459
	<u>136,296</u>	<u>12,459</u>

**6. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	110,618	212,236
Auditors remuneration	60,000	8,625
Exchange differences	(50,905)	11,000
Other operating lease rentals	230,000	230,000
Defined contribution pension scheme payment	27,302	21,110
	<u>27,302</u>	<u>21,110</u>

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. Auditor's remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	2021 £	2020 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	60,000	8,625
Tax advisory services	12,000	-
	<u>72,000</u>	<u>8,625</u>

**8. Employees**

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

	2021 £	2020 £
Wages and salaries	1,133,270	815,204
Social security costs	124,290	91,011
Cost of defined contribution scheme	27,302	21,110
	<u>1,284,862</u>	<u>927,325</u>

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

	2021 No.	2020 No.
Directors	2	2
Production	14	18
Administration	12	5
	<u>28</u>	<u>25</u>

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	368,648	196,015
	<u>368,648</u>	<u>196,015</u>

The highest paid director received remuneration of £215,393 (2020 - £109,042).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

Two Board members are employed and remunerated by other Group entities. The Company considers that there is no practical method to accurately allocate a portion of the emoluments the Director receives from their respective Group company employer to the qualifying services they provide to the Company and the Company is also of the opinion any allocation would be immaterial. Therefore, the above disclosures exclude any allocation of remuneration to the Company in respect of these Directors.

**10. Interest receivable**

	2021 £	2020 £
Group interest receivable	258,751	3,774
	<u>258,751</u>	<u>3,774</u>

**11. Interest payable and similar expenses**

	2021 £	2020 £
Group interest payable	-	15,400
Finance leases and hire purchase contracts	3,412	4,047
Other interest payable	12,915	6,418
	<u>16,327</u>	<u>25,865</u>

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	530,115	72,053
Adjustments in respect of previous periods	(5,397)	(207,604)
	<u>524,718</u>	<u>(135,551)</u>
<b>Total current tax</b>	<u>524,718</u>	<u>(135,551)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>524,718</u>	<u>(135,551)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,233,016</u>	<u>2,614,046</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	614,273	496,669
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	95
Capital allowances for year in excess of depreciation	1,136	24,380
Adjustments to tax charge in respect of prior periods	(5,397)	(207,604)
Short-term timing difference leading to an increase (decrease) in taxation	-	(5,397)
Movement in deferred tax not recognised	(567)	-
Remeasurement of deferred tax for changes in tax rates	(7,221)	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	98
Group relief	(77,506)	(443,792)
<b>Total tax charge for the year</b>	<u>524,718</u>	<u>(135,551)</u>

**Factors that may affect future tax charges**

There is an unrecognised deferred tax asset in 2021 of £30,086. £28,521 relates to fixed asset timing differences and £1,565 relates to short term timing differences.

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	3,000,692	245,995	329,352	3,576,039
Additions	30,920	-	69,285	100,205
At 31 December 2021	<u>3,031,612</u>	<u>245,995</u>	<u>398,637</u>	<u>3,676,244</u>
<b>Depreciation</b>				
At 1 January 2021	2,931,307	144,086	328,408	3,403,801
Charge for the year on owned assets	39,436	60,957	10,225	110,618
At 31 December 2021	<u>2,970,743</u>	<u>205,043</u>	<u>338,633</u>	<u>3,514,419</u>
<b>Net book value</b>				
At 31 December 2021	<u>60,869</u>	<u>40,952</u>	<u>60,004</u>	<u>161,825</u>
At 31 December 2020	<u>69,385</u>	<u>101,909</u>	<u>944</u>	<u>172,238</u>

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

	2021 £	2020 £
Motor vehicles	<u>40,952</u>	<u>101,909</u>
	<u>40,952</u>	<u>101,909</u>

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. Stocks**

	2021 £	2020 £
Finished goods and goods for resale	1,671,882	1,193,959
	<u>1,671,882</u>	<u>1,193,959</u>

**15. Debtors**

	2021 £	2020 £
Trade debtors	3,084,578	3,401,862
Amounts owed by group undertakings	13,621,013	4,459,245
Other debtors	101,156	308,945
Prepayments and accrued income	71,492	43,163
	<u>16,878,239</u>	<u>8,213,215</u>

£13,621,013 owed by group undertakings is repayable on demand.

Solidus has entered into a 'multi country factoring agreement' with ING Commerical Finance Belux NV to sell qualifying debtors for cash.

**16. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	2,344,249	2,907,192
	<u>2,344,249</u>	<u>2,907,192</u>



**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	1,764,738	1,621,617
Amounts owed to group undertakings	6,128,784	58,378
Corporation tax	511,765	-
Other taxation and social security	418,257	1,229,402
Obligations under finance lease and hire purchase contracts	100,941	25,248
Other creditors	205,018	5,361
Accruals and deferred income	84,762	312,025
	<u>9,214,265</u>	<u>3,252,031</u>

Amounts owed to group undertakings are repayable on demand with no interest accrued on amounts due.

The following liabilities were secured:

	2021 £	2020 £
Obligations under finance lease and hire purchase contracts	100,941	25,248
	<u>100,941</u>	<u>25,248</u>

Details of security provided:

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

**18. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	100,941
	<u>-</u>	<u>100,941</u>

The following liabilities within creditors due after more than one year are secured by the company against the assets to which they relate:

	2021 £	2020 £
Obligations under finance lease and hire purchase contracts	-	100,941
	<u>-</u>	<u>100,941</u>

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	100,941	25,248
Between 1-5 years	-	100,941
	<u>100,941</u>	<u>126,189</u>

**20. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
102 Ordinary A shares of £0.01 each	1.02	1.02
98 Ordinary B shares of £0.01 each	0.98	0.98
	<u>2.00</u>	<u>2.00</u>

The Ordinary A and B shares carry rights of one vote per share and have no restrictions on the distribution of dividends and the repayment of capital.

**21. Pension commitments**

The company operates a defined contribution 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 £27,302 (2020 - £21,110). Contributions totalling £6,257 (2020 - £4,752) were payable to the fund at the balance sheet date and are included in creditors.

**22. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	-	153,333
	<u>-</u>	<u>153,333</u>

**SOLIDUS PACKAGING SOLUTIONS LIMITED (FORMERLY NORTHERN PAPER BOARD LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**23. Related party transactions**

During the period the company was charged rent totalling £230,000 (2020 - £230,000) by Northern Paper Board Limited Directors Pension Fund. Rent is charged under a formal lease agreement. J F Curran and P A Curran are trustees of the pension fund.

The company has taken advantage of the exemption contained within Section 33 of FRS102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

**24. Post balance sheet events**

In May 2022, the shareholder of the company paid dividends amounting to £4,000,000.

**25. Controlling party**

The company was under the control of Solidus North Group Holdings B.V throughout the period.

The ultimate parent undertaking is Centerbridge Partners, L. P., a Limited Partnership registered in Delaware, USA.

The smallest company to produce consolidated financial statements which include the company is Solidus Solutions Holding B.V., copies of which can be obtained from Hoofdstraat 34, Bad Nieuweschans, Groningen, Netherlands, 9693 AH.

The largest company to produce consolidated financial statements which include the company is Centerbridge Partners, L. P., copies of which can be obtained on request.