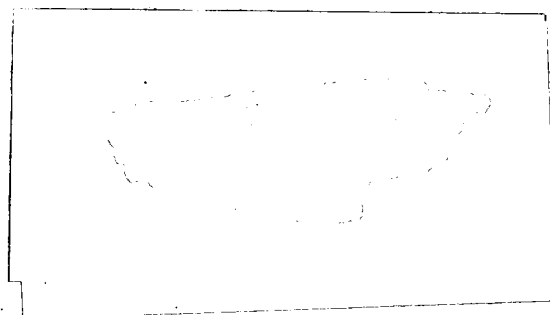


Company Registration No. 03561125 (England and Wales)

JM PACKAGING LIMITED
ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020



JM PACKAGING LIMITED

COMPANY INFORMATION

Director	Mr J A McGill
Company number	03561125
Registered office	5 Malton Enterprise Park Malton North Yorkshire YO17 6AB
Auditor	Henton & Co LLP Northgate 118 North Street Leeds West Yorkshire LS2 7PN
Business address	5 Malton Enterprise Park Malton North Yorkshire YO17 6AB
Bankers	National Westminster Bank plc Wellington House Aviator Court Clifton Moor York YP30 4UZ

JM PACKAGING LIMITED

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JM PACKAGING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The director presents the strategic report for the year ended 30 June 2020 with the principal activity of the group is that of the sale, warehousing and distribution of packaging materials, a football club and a management company. The strategic report focuses on the packaging materials business.

Fair review of the business

Our primary activity is the supply of added value high technology packaging materials to the Food Industry where we operate in a niche market providing quality convenience foods packaging and microwavable retort pouches for rice, sauces and pasta products with long shelf life.

Our main end customers are the Supermarket Groups and we supply to Food Producers who in turn supply to Supermarkets with our business therefore heavily focussed on high service levels of quality and fast availability of complex products.

Competitive pressures remained intense and we benefitted from earlier substantial capital investment in Buildings together with Computer Software to address these challenges. We continue to develop quality, innovation and service levels in support of the business with our new storage facilities having doubled in capacity thereby further improving service levels to customers.

We continue to progress the diversification of new products and customer opportunities which will assist operational performance throughout the coming year. However the difficult market conditions are expected to continue within the medium term and the priority is to sustain and expand the business from current levels of turnover and profitability.

Despite the economic effects of Covid-19 on the U.K. economy, the packaging material business has seen minor disruption due to its essential nature.

The results for the year and the financial position at the year end were considered satisfactory by the director.

Principal risks and uncertainties

As with most businesses the company operates in an increasingly complex and competitive business environment and as such is potentially vulnerable to normal business risks such as market competition, pressures on cash-flow and the effects of the current economic climate, including bad and doubtful debts.

Key performance indicators

The company uses a range of performance measures as a means to monitor and manage the business.

The key financial performance indicators for the Group are those of turnover, gross profit and net profit before tax with the KPI's for the year ended 30 June 2020, with comparatives for 2019 being:

	<u>2020</u>	<u>2019</u>
Turnover	16,349,298	12,995,275
Gross Profit	3,244,816	2,418,640
Gross Margin	19.8%	18.6%
Net Profit Before Tax	1,735,418	700,109

The director is pleased with the strength and improvement of these indicators.

JM PACKAGING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Other performance indicators

The director anticipates the business environment will remain challenging during the foreseeable future although they consider the company's financial strength will be important even if the most pessimistic forecasts should prove to be correct.

Financial Instruments

The company operates a treasury function which is responsible for managing liquidity and cashflow requirements associated with the group's activities with robust controls in respect of the collection of debts thereby retaining favourable payment terms with its core suppliers.

The company has a normal level of exposure to price, credit liquidity and cash flow risks arising from trading activities conducted in sterling and euros although there are no formal hedging arrangements in place.

Other information and explanations

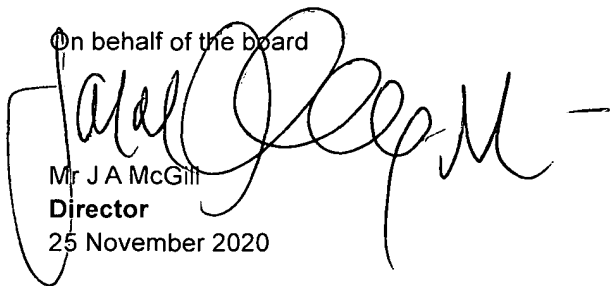
The company continually re-evaluates its products with regard to the future needs of the industry with regular reviews held in order to increase the efficiency and therefore the profitability of the group.

On behalf of the board

Mr J A McGill

Director

25 November 2020

A large, stylized handwritten signature in black ink, appearing to read 'J A McGill', is written over the printed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

JM PACKAGING LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The director presents his annual report and financial statements for the year ended 30 June 2020.

Principal activities

The principal activity of the group is that of the sale, warehousing and distribution of packaging materials, a football club and a management company.

Director

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

Mr J A McGill

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £150,000.

Auditor

In accordance with the company's articles, a resolution proposing that Henton & Co LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr J A McGill
Director

25 November 2020

JM PACKAGING LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

JM PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JM PACKAGING LIMITED

Opinion

We have audited the financial statements of JM Packaging Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

JM PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JM PACKAGING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

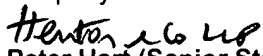
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Peter Hart (Senior Statutory Auditor)
for and on behalf of Hentons
Chartered Accountants
Statutory Auditor
25 November 2020

Northgate
118 North Street
Leeds
West Yorkshire
LS2 7PN

JM PACKAGING LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	16,349,298	12,995,275
Cost of sales		(13,104,482)	(10,576,635)
Gross profit		<u>3,244,816</u>	<u>2,418,640</u>
Administrative expenses		(1,567,260)	(1,680,439)
Other operating income		84,352	-
Operating profit	4	<u>1,761,908</u>	<u>738,201</u>
Interest receivable and similar income	8	1,997	808
Interest payable and similar expenses	9	(28,487)	(38,900)
Profit before taxation		<u>1,735,418</u>	<u>700,109</u>
Tax on profit	10	(324,428)	(134,215)
Profit for the financial year		<u><u>1,410,990</u></u>	<u><u>565,894</u></u>
Profit for the financial year is attributable to:			
- Owner of the parent company		1,685,446	947,357
- Non-controlling interests		(274,456)	(381,463)
		<u><u>1,410,990</u></u>	<u><u>565,894</u></u>

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

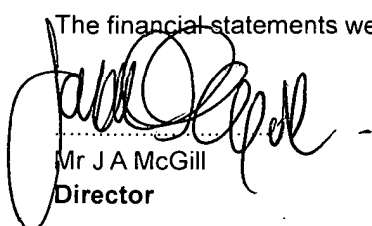
JM PACKAGING LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	12		530,904		543,270
Tangible assets	13		1,028,397		1,093,418
Investment properties	14		4,500,000		4,500,000
			<u>6,059,301</u>		<u>6,136,688</u>
Current assets					
Stocks	18	1,768,015		1,078,387	
Debtors	19	3,054,938		2,827,454	
Cash at bank and in hand		1,783,572		871,615	
		<u>6,606,525</u>		<u>4,777,456</u>	
Creditors: amounts falling due within one year	21	(4,104,685)		(3,580,594)	
Net current assets			<u>2,501,840</u>		<u>1,196,862</u>
Total assets less current liabilities			<u>8,561,141</u>		<u>7,333,550</u>
Creditors: amounts falling due after more than one year	20		(2,638,723)		(2,668,772)
Provisions for liabilities	24		(6,071)		(9,421)
Net assets			<u>5,916,347</u>		<u>4,655,357</u>
Capital and reserves					
Called up share capital	26		1,000		1,000
Revaluation reserve			2,148,000		2,148,000
Profit and loss reserves			5,922,107		4,386,661
Equity attributable to owner of the parent company			<u>8,071,107</u>		<u>6,535,661</u>
Non-controlling interests			(2,154,760)		(1,880,304)
			<u>5,916,347</u>		<u>4,655,357</u>

The financial statements were approved and signed by the director and authorised for issue on 25th November 2020


Mr J A McGill
Director

JM PACKAGING LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		932,527		976,282
Investments	15		300,000		300,000
			<u>1,232,527</u>		<u>1,276,282</u>
Current assets					
Stocks	18	1,760,415		1,077,637	
Debtors	19	12,562,488		11,244,383	
Cash at bank and in hand		1,722,566		792,047	
		<u>16,045,469</u>		<u>13,114,067</u>	
Creditors: amounts falling due within one year	21	(3,839,755)		(3,256,796)	
Net current assets			<u>12,205,714</u>		<u>9,857,271</u>
Total assets less current liabilities			<u>13,438,241</u>		<u>11,133,553</u>
Creditors: amounts falling due after more than one year	20		(213,507)		(264,280)
Provisions for liabilities	24		(6,071)		(9,421)
Net assets			<u><u>13,218,663</u></u>		<u><u>10,859,852</u></u>
Capital and reserves					
Called up share capital	26		1,000		1,000
Profit and loss reserves			<u>13,217,663</u>		<u>10,858,852</u>
Total equity			<u><u>13,218,663</u></u>		<u><u>10,859,852</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year after tax was £2,508,811 (2019 - £2,091,744 profit).

The financial statements were approved and signed by the director and authorised for issue on 25th November 2020


Mr J A McGill
Director

Company Registration No. 03561125

JM PACKAGING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 July 2018		1,000	2,148,000	3,539,304	5,688,304	(1,498,841)	4,189,463
Year ended 30 June 2019:							
Profit and total comprehensive income for the year		-	-	947,357	947,357	(381,463)	565,894
Dividends	11	-	-	(100,000)	(100,000)	-	(100,000)
Balance at 30 June 2019		1,000	2,148,000	4,386,661	6,535,661	(1,880,304)	4,655,357
Year ended 30 June 2020:							
Profit and total comprehensive income for the year		-	-	1,685,446	1,685,446	(274,456)	1,410,990
Dividends	11	-	-	(150,000)	(150,000)	-	(150,000)
Balance at 30 June 2020		1,000	2,148,000	5,922,107	8,071,107	(2,154,760)	5,916,347

JM PACKAGING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2018		1,000	8,867,108	8,868,108
Year ended 30 June 2019:				
Profit and total comprehensive income for the year		-	2,091,744	2,091,744
Dividends	11	-	(100,000)	(100,000)
Balance at 30 June 2019		1,000	10,858,852	10,859,852
Year ended 30 June 2020:				
Profit and total comprehensive income for the year		-	2,508,811	2,508,811
Dividends	11	-	(150,000)	(150,000)
Balance at 30 June 2020		1,000	13,217,663	13,218,663

JM PACKAGING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	29	1,259,647		1,017,108	
Interest paid		(28,487)		(38,900)	
Income taxes paid		(138,499)		(138,632)	
Net cash inflow from operating activities		1,092,661		839,576	
Investing activities					
Purchase of tangible fixed assets		(2,654)		(158)	
Interest received		1,997		808	
Net cash (used in)/generated from investing activities			(657)		650
Financing activities					
Repayment of borrowings		20,724		29,561	
Repayment of bank loans		(49,096)		(47,502)	
Payment of finance leases obligations		(1,675)		9,641	
Dividends paid to equity shareholders		(150,000)		(100,000)	
Net cash used in financing activities			(180,047)		(108,300)
Net increase in cash and cash equivalents			911,957		731,926
Cash and cash equivalents at beginning of year			871,615		139,689
Cash and cash equivalents at end of year			1,783,572		871,615

JM PACKAGING LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	30	532,957		405,609	
Interest paid		(7,764)		(9,338)	
Income taxes paid		(138,499)		(138,632)	
Net cash inflow from operating activities		386,694		257,639	
Investing activities					
Purchase of tangible fixed assets		(2,654)		(158)	
Interest received		747,250		644,163	
Net cash generated from investing activities		744,596		644,005	
Financing activities					
Repayment of bank loans		(49,096)		(47,502)	
Payment of finance leases obligations		(1,675)		9,641	
Dividends paid to equity shareholders		(150,000)		(100,000)	
Net cash used in financing activities		(200,771)		(137,861)	
Net increase in cash and cash equivalents		930,519		763,783	
Cash and cash equivalents at beginning of year		792,047		28,264	
Cash and cash equivalents at end of year		1,722,566		792,047	

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

JM Packaging Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 5 Malton Enterprise Park, Malton, North Yorkshire, YO17 6AB.

The group consists of JM Packaging Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of JM Packaging Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected useful economic life.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	over 50 years
Land and buildings Leasehold	over term of lease
Plant and machinery	15% straight line
Fixtures, fittings and equipment	15% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.17 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. No contributions were payable on behalf of the Directors.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Packaging	14,933,447	11,975,008
Football	1,267,080	1,020,267
Management	148,771	-
	<u>16,349,298</u>	<u>12,995,275</u>

	2020 £	2019 £
Other significant revenue		
Interest income	1,997	808
Grants received	84,352	-
	<u>86,349</u>	<u>808</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(7,503)	4,477
Government grants	(84,352)	-
Depreciation of owned tangible fixed assets	63,264	69,859
Depreciation of tangible fixed assets held under finance leases	3,664	3,664
Loss on disposal of tangible fixed assets	747	-
Amortisation of intangible assets	12,366	12,366
Operating lease charges	15,363	16,928
	<u>10,545</u>	<u>107,294</u>

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,135	5,135
Audit of the financial statements of the company's subsidiaries	4,700	4,500
	<u>9,835</u>	<u>9,635</u>

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Directors	3	1	1	1
Sales and logistics	6	7	6	7
Administrative	16	17	4	5
Warehouse	3	3	3	3
Planting and Management	33	39	-	-
Total	61	67	14	16

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,605,192	1,781,928	630,246	697,057
Social security costs	159,594	155,763	75,914	70,261
Pension costs	26,316	18,349	7,041	5,354
	1,791,102	1,956,040	713,201	772,672

7 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	235,000	291,775

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	235,000	285,000

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	1,997	808

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	7,160	8,733
Other finance costs:		
Interest on finance leases and hire purchase contracts	604	605
Other interest	20,723	29,562
Total finance costs	28,487	38,900

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	327,778	138,497
Deferred tax		
Origination and reversal of timing differences	(3,350)	(4,282)
Total tax charge	324,428	134,215

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

	2020 £	2019 £
Profit before taxation	1,735,418	700,109
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	329,729	133,021
Tax effect of expenses that are not deductible in determining taxable profit	696	1,258
Tax effect of income not taxable in determining taxable profit	(11,355)	(5,436)
Depreciation on assets not qualifying for tax allowances	2,665	2,665
Deferred tax adjustments in respect of prior years	2,693	2,707
Taxation charge	324,428	134,215

11 Dividends

	2020 £	2019 £
Interim paid	150,000	100,000

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2019 and 30 June 2020	737,608
Amortisation and impairment	
At 1 July 2019	194,338
Amortisation charged for the year	12,366
At 30 June 2020	206,704
Carrying amount	
At 30 June 2020	530,904
At 30 June 2019	543,270

The company had no intangible fixed assets at 30 June 2020 or 30 June 2019.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

13 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, Motor vehicles fittings and equipment £	Total £
Cost					
At 1 July 2019	939,763	186,317	253,126	241,773	1,683,862
Additions	-	-	-	2,654	2,654
Disposals	-	(15,677)	-	(2,690)	(18,367)
At 30 June 2020	939,763	170,640	253,126	241,737	1,668,149
Depreciation and impairment					
At 1 July 2019	84,169	103,787	144,535	207,032	590,444
Depreciation charged in the year	14,028	17,064	24,977	5,960	66,928
Eliminated in respect of disposals	-	(15,677)	-	(1,943)	(17,620)
At 30 June 2020	98,197	105,174	169,512	211,049	639,752
Carrying amount					
At 30 June 2020	841,566	65,466	83,614	30,688	1,028,397
At 30 June 2019	855,594	82,530	108,590	34,742	1,093,418

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

13 Tangible fixed assets

(Continued)

Company	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 July 2019	939,763	15,677	253,126	109,023	31,288	1,348,877
Additions	-	-	-	2,654	-	2,654
Disposals	-	(15,677)	-	(2,690)	-	(18,367)
At 30 June 2020	939,763	-	253,126	108,987	31,288	1,333,164
Depreciation and impairment						
At 1 July 2019	84,169	15,677	144,536	103,948	24,265	372,595
Depreciation charged in the year	14,028	-	24,977	2,993	3,664	45,662
Eliminated in respect of disposals	-	(15,677)	-	(1,943)	-	(17,620)
At 30 June 2020	98,197	-	169,513	104,998	27,929	400,637
Carrying amount						
At 30 June 2020	841,566	-	83,613	3,989	3,359	932,527
At 30 June 2019	855,594	-	108,590	5,075	7,023	976,282

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2020 £	2019 £	Company 2020 £	2019 £
Motor vehicles	3,359	7,023	-	-

14 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 July 2019 and 30 June 2020	4,500,000	-

Investment property comprises a Football Stadium owned by a subsidiary company. Investment properties are subject to annual valuations undertaken by Mr J A McGill, a Director of the company, on an open market basis. No depreciation is provided in respect of these properties.

15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	300,000	300,000

Movements in fixed asset investments

Company

	Shares in group undertakings £
Cost or valuation	
At 1 July 2019 and 30 June 2020	300,000
Carrying amount	
At 30 June 2020	300,000
At 30 June 2019	300,000

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

16 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
York City Football Club Limited	Bootham Crescent, York, YO30 7AQ	Ordinary	75.00	-
Bootham Crescent Holdings Limited	Bootham Crescent, York, YO30 7AQ	Ordinary	-	86.00
York Stadium Management Company Limited	124 Acomb Road, Holgate, York, YO24 4EY	Ordinary	-	75.00

17 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,832,917	2,680,358	12,505,573	11,170,856
Carrying amount of financial liabilities				
Measured at amortised cost	6,303,676	5,889,148	3,630,511	3,183,120

18 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	1,768,015	1,078,387	1,760,415	1,077,637

19 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	2,744,669	2,467,000	2,677,456	2,431,425
Other debtors	92,913	223,762	87,048	211,504
Prepayments and accrued income	217,356	136,692	56,915	73,527
	3,054,938	2,827,454	2,821,419	2,716,456
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	9,741,069	8,527,927
Total debtors	3,054,938	2,827,454	12,562,488	11,244,383

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

20 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Loans and overdrafts	22	2,632,436	2,660,808	207,220	256,316
Obligations under finance leases	23	6,287	7,964	6,287	7,964
		<u>2,638,723</u>	<u>2,668,772</u>	<u>213,507</u>	<u>264,280</u>
Payable other than by instalments		<u>2,425,216</u>	<u>2,404,492</u>	<u>-</u>	<u>-</u>

21 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	22	50,000	50,000	50,000	50,000
Obligations under finance leases	23	1,677	1,677	1,677	1,677
Payments received on account		-	717	-	-
Trade creditors		2,784,989	2,438,945	2,714,603	2,335,046
Corporation tax payable		327,778	138,497	327,778	138,497
Other taxation and social security		111,954	221,721	94,973	199,459
Other creditors		382,830	380,499	370,830	368,499
Accruals and deferred income		445,457	348,538	279,894	163,618
		<u>4,104,685</u>	<u>3,580,594</u>	<u>3,839,755</u>	<u>3,256,796</u>

22 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	257,220	306,316	257,220	306,316
Other loans	2,425,216	2,404,492	-	-
	<u>2,682,436</u>	<u>2,710,808</u>	<u>257,220</u>	<u>306,316</u>
Payable within one year	50,000	50,000	50,000	50,000
Payable after one year	2,632,436	2,660,808	207,220	256,316
	<u>2,682,436</u>	<u>2,710,808</u>	<u>257,220</u>	<u>306,316</u>

The long-term loans are secured by a debenture and legal charge over the assets of the company.

Interest is payable at bank base rate plus 2.1%.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

23 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	1,677	1,677	1,677	1,677
In two to five years	6,287	7,964	6,287	7,964
	<u>7,964</u>	<u>9,641</u>	<u>7,964</u>	<u>9,641</u>

24 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	<u>6,071</u>	<u>9,421</u>
	Liabilities 2020 £	Liabilities 2019 £
Company		
Accelerated capital allowances	<u>6,071</u>	<u>9,421</u>
	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 July 2019	9,421	9,421
Credit to profit or loss	<u>(3,350)</u>	<u>(3,350)</u>
Liability at 30 June 2020	<u>6,071</u>	<u>6,071</u>

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

25 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	26,316	18,349

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	16,341	35,239	-	19,697
Between two and five years	6,287	44,597	-	44,597
	22,628	79,836	-	64,294

28 Controlling party

The ultimate controlling party is J A McGill, a director of the company who holds 100% of the issued share capital.

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

29 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,410,990	565,893
Adjustments for:		
Taxation charged	324,428	134,215
Finance costs	28,487	38,900
Investment income	(1,997)	(808)
Loss on disposal of tangible fixed assets	747	-
Amortisation and impairment of intangible assets	12,366	12,366
Depreciation and impairment of tangible fixed assets	66,928	73,523
Movements in working capital:		
(Increase)/decrease in stocks	(689,628)	375,635
Increase in debtors	(227,484)	(313,466)
Increase in creditors	334,810	130,850
Cash generated from operations	1,259,647	1,017,108

30 Cash generated from operations - company

	2020 £	2019 £
Profit for the year after tax	2,508,811	2,091,744
Adjustments for:		
Taxation charged	324,428	134,215
Finance costs	7,764	9,338
Investment income	(747,250)	(644,163)
Loss on disposal of tangible fixed assets	747	-
Depreciation and impairment of tangible fixed assets	45,662	51,516
Movements in working capital:		
(Increase)/decrease in stocks	(682,778)	376,385
(Increase) in debtors	(1,318,105)	(1,857,998)
Increase in creditors	393,678	244,572
Cash generated from operations	532,957	405,609

JM PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

31 Analysis of changes in net debt - group

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	871,615	911,957	1,783,572
Borrowings excluding overdrafts	(2,710,808)	28,372	(2,682,436)
Obligations under finance leases	(9,641)	1,677	(7,964)
	<u>(1,848,834)</u>	<u>942,006</u>	<u>(906,828)</u>

32 Analysis of changes in net funds - company

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	792,047	930,519	1,722,566
Borrowings excluding overdrafts	(306,316)	49,096	(257,220)
Obligations under finance leases	(9,641)	1,677	(7,964)
	<u>476,090</u>	<u>981,292</u>	<u>1,457,382</u>