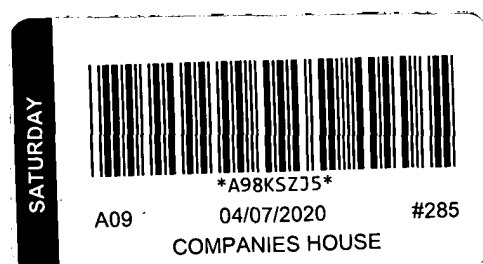

AMBERLEY ADHESIVE LABELS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019



AMBERLEY ADHESIVE LABELS LIMITED

COMPANY INFORMATION

Directors	A Joy D Patterson D Richards
Registered number	04404780
Registered office	Holland Place Wardentree Park Pinchbeck Spalding Lincolnshire PE11 3ZN
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	Handelsbanken 10 Parkstone Road Poole Dorset BH15 2PQ
Solicitors	Paris Smith LLP 1 London Road Southampton SO15 2AE

AMBERLEY ADHESIVE LABELS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9 - 10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 31

AMBERLEY ADHESIVE LABELS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

Introduction

The principal activity of the Company during the period continued to be that of adhesive label printers.

Business review

Overall, 2019 has been a successful year for Amberley. At the start of the year there was uncertainty continuing from 2018 due to the UK's vote to leave the EU. Raw material prices continued to be uncertain as exchange rates weakened; raw material suppliers had to pass on these costs to Amberley. This situation improved on 31 July 2019 when Amberley was purchased by Coveris Flexibles Holdings UK Ltd. Coveris is a substantial group in the adhesive label and packaging industry and with Coveris' buying power, Amberley was able to reduce raw material costs by 4%.

'Brexit' did bring some positives to Amberley, sales increased by 11% during 2019. 50% of this increase was due to one-off sales relating to legislation changes as a result of 'Brexit'. The remaining 50% was due to existing customer growth as first-class customer service and quality built stronger customer relationships and retention rate.

The sale of Amberley incurred several exceptional transactions. Firstly, three fixed assets were sold to the previous owner providing a circa £10,000 profit on the sale from these assets. In addition to this, Amberley incurred an adverse cost of £98,000 in order to align the Company with Coveris' raw stock aging provision policy.

The accounts filed are a 'short' 8-month period to align our financial year with the Coveris group. For the 8-month period, May to December 2019, the profit before tax was £969,888, a 26% increase comparing to the same period in 2018. EBITDA, increased from £1m to £1.3m for the same 8-month period, a 26% increase.

Principal risks and uncertainties

The management of Amberley is subject to several risks including raw material price increases, continued outstanding quality, ongoing investment in print technologies and maintaining strong customer relationships.

Raw materials price increases are usually seen due to fluctuations in the Euro exchange rate. Amberley has built strong relationships with key market suppliers to combat these increases, as of 31 July 2019, the Company was under the management of the Coveris group which improved buying power. Continually investing in new technologies reduces waste, improves efficiency and makes the business more competitive.

Amberley's reputation is built on the quality of the labels it delivers to prestigious brands. Raw material suppliers are carefully selected to ensure the best quality materials are purchased. The production team's knowledge is exceptional, working alongside the quality assurance team to ensure all raw materials used are to the highest standard and subsequently the finished product is too.

Amberley are the leaders in digital printing and continue to invest resources into developing new printing techniques and methods to ensure high standards are maintained and can offer an exceptional label quality to prestigious customers. Therefore, being able to predict customer demand and respond to customers requests is key to continuing this high level of service. Amberley's management, customer service and sales team use their experience to forecast customer demand and dedicate their time to ensure they maintain a strong relationship with the customer helping Amberley to meet their expectations for a high quality label.

AMBERLEY ADHESIVE LABELS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

Financial risk management

Due to being part of the Coveris group, the financial risk management of the company is managed on a group wide basis by the Coveris S.A. central finance team. The financial risk management risks and policies are disclosed in the consolidated financial statements of Coveris S.A. The elements which are controlled by the company are disclosed below:

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash balances. Interest bearing liabilities comprise bank overdrafts, hire purchase agreements and leases. The cash assets are subject to interest rate fluctuations as are the bank overdraft liabilities.

The Company is exposed to liquidity risk. The Company has committed financing through its parent undertakings and the group finance team regularly monitor available cash balances and available facilities to ensure that the group has sufficient funds to meet its obligations.

The Company is exposed to credit risk as a result of its operations. Prior to sales being made appropriate checks are performed over the ability of the customer to pay. Regular reviews of credit limits and monitoring of the aged debtor's ledger are utilised to minimise the risk to the group on an ongoing basis. Credit insurance is also utilised to further mitigate the risk of loss to the group.

Key performance indicators

Given the straight forward nature of the business the Company's directors are of the opinion that analysis using non-financial KPI's other than that included within the review of the business is not necessary for an understanding of the development, performance or position of the business.

Business review 2020

Quarter 1 has not delivered the expected growth plans we have in place, however, there has been a fairly stable comparison to our 2019 numbers when taking into account the exceptional circumstance of the Brexit label requirements from one of our largest customers in 2019. Excluding this exceptional turnover, during quarter 1, turnover has increased by 3% from 2019 with similar profitability.

The COVID-19 pandemic has had an effect on our quarter 2 targets. Following the government's advice that non-essential businesses should close, several key customers have either closed temporarily or delayed shipment dates of planned orders. Amberley has taken advantage of the government job retention "Furlough" scheme for some of its employees during this time. Amberley's sales and EBITDA forecast remains strong for 2020.

Plans to complete any major capital expenditure for 2020 are now delayed as the focus is to manage cashflow and profitability. Amberley has been given permission from HMRC to delay the February to April 2020 VAT return to help maintain healthy cash reserves. However, a strong capital expenditure programme and team investment plan over recent years means all available resources are in place to target a profitable and rewarding 2020.

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

A Joy

A Joy (Jul 1, 2020 09:40 GMT+1)

A Joy
Director

Date: 07/01/20

AMBERLEY ADHESIVE LABELS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the period ended 31 December 2019. Following a change of ownership and to align to the group's accounting reference date, the accounting reference date has been shortened to an 8 month period, ending 31 December 2019. The comparatives shown throughout are for a year, and are therefore not comparable. As disclosed in note 2.1, the Company has also adopted FRS 101 'Reduced Disclosure Framework' this year and taken advantage of the disclosure exemptions allowed under this standard. The Company previously reported under FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Results and dividends

The profit for the period, after taxation, amounted to £958,976 (*Year ended 30 April 2019 £1,138,169*).

During the period, the Company paid dividends of £6,250 (*Year ended 30 April 2019: £75,000*).

Directors

The directors who served during the period were:

T Smith (resigned 31 October 2019)
A Joy (appointed 31 July 2019)
D Patterson (appointed 31 July 2019)
D Richards (appointed 31 October 2019)

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.


Post balance sheet events

In the period since 31 December 2019 a global pandemic, COVID-19, has emerged. The global response continues to evolve and the implications for businesses such as Amberley Adhesive Labels Limited are not yet fully known. As a result, the directors are unable to give an estimate on the financial impact of the COVID-19 pandemic. The effects of the pandemic on the business are described in the 'Business review 2020' section in the Strategic Report on page 2.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


A Joy (Jul 1, 2020 09:40 GMT+1)

A Joy
Director

Date: 07/01/20

AMBERLEY ADHESIVE LABELS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBERLEY ADHESIVE LABELS LIMITED

Opinion

We have audited the financial statements of Amberley Adhesive Labels Limited (the 'Company') for the period ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the period 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter - impact of COVID-19

We draw attention to notes 2.4 and 30 of the financial statements, which describes the impact of COVID-19 on the Company.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBERLEY ADHESIVE LABELS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBERLEY ADHESIVE LABELS LIMITED (CONTINUED)

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: 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.

Alan Waters

Alan Waters (Jul 1, 2020 10:09 GMT+1)

Alan Waters (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG
Date: 07/01/20

AMBERLEY ADHESIVE LABELS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Turnover	4	4,747,290	7,076,178
Cost of sales		(2,642,368)	(3,825,748)
Gross profit		2,104,922	3,250,430
Distribution costs		(54,920)	(111,664)
Administrative expenses		(1,199,983)	(1,760,459)
Other operating income	5	131,778	2,250
Operating profit	6	981,797	1,380,557
Interest receivable and similar income	10	1,140	2,398
Interest payable and expenses	11	(13,049)	(12,633)
Profit before tax		969,888	1,370,322
Tax on profit	12	(10,912)	(232,153)
Profit for the financial period/year		958,976	1,138,169

There was no other comprehensive income for the 8-month period ended 31 December 2019 (*year ended 30 April 2019: £Nil*).

The notes on pages 12 to 31 form part of these financial statements.

AMBERLEY ADHESIVE LABELS LIMITED
REGISTERED NUMBER:04404780

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	30 April 2019 £
Fixed assets			
Tangible assets	14	2,045,961	1,918,826
Investment property	16	-	130,000
		<u>2,045,961</u>	<u>2,048,826</u>
Current assets			
Stocks	17	282,900	398,234
Debtors	18	3,333,060	1,728,971
Cash at bank and in hand	19	873,754	1,501,097
		<u>4,489,714</u>	<u>3,628,302</u>
Creditors: amounts falling due within one year	20	(1,121,181)	(1,346,272)
Net current assets		<u>3,368,533</u>	<u>2,282,030</u>
Total assets less current liabilities		<u>5,414,494</u>	<u>4,330,856</u>
Creditors: amounts falling due after more than one year	21	(185,369)	(72,827)
Provisions for liabilities			
Deferred tax	22	(162,659)	(176,839)
Net assets		<u><u>5,066,466</u></u>	<u><u>4,081,190</u></u>
Capital and reserves			
Called up share capital	23	54,256	51,001
Share premium account	24	29,295	-
Capital redemption reserve	24	48,999	48,999
Profit and loss account	24	4,933,916	3,981,190
Shareholders' funds		<u><u>5,066,466</u></u>	<u><u>4,081,190</u></u>

AMBERLEY ADHESIVE LABELS LIMITED
REGISTERED NUMBER:04404780

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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

A Joy
A Joy (Jul 1, 2020 09:40 GMT+1)

A Joy
Director

Date: 07/01/20

The notes on pages 12 to 31 form part of these financial statements.

AMBERLEY ADHESIVE LABELS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 May 2018	51,001	-	48,999	2,918,021	3,018,021
Comprehensive income for the year					
Profit for the year	-	-	-	1,138,169	1,138,169
Dividends: Equity capital	-	-	-	(75,000)	(75,000)
At 1 May 2019	51,001	-	48,999	3,981,190	4,081,190
Comprehensive income for the period					
Profit for the period	-	-	-	958,976	958,976
Dividends: Equity capital	-	-	-	(6,250)	(6,250)
Shares issued during the period	3,255	29,295	-	-	32,550
At 31 December 2019	54,256	29,295	48,999	4,933,916	5,066,466

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. General information

Amberley Adhesive Labels Limited is a private company, limited by shares, registered in England and Wales (registered number: 04404780). The registered office address is Holland Place, Wardentree Park, Pinchbeck, Spalding, Lincolnshire, PE11 3ZN.

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 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

Adoption of FRS 101

The directors have decided to adopt FRS 101 for the financial statements this period. The previous financial year's financial statements have been prepared adopting FRS 102.

There are no material differences on the previous reported results and financial position and therefore the comparative figures remain unchanged.

The preparation of financial statements in compliance with FRS 101 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 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Changes in accounting policy and disclosures

IFRS 16 is a new accounting standard that is effective for the period ended 31 December 2019 and has had a material impact on the Company's financial statements – see note 15.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 31 December 2019 that have had a material impact on the Company's financial statements

2.4 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Company is a going concern. Cash flow projections have been prepared, including modelling potential revenue declines linked to COVID-19. Having considered the projections, the directors have concluded that they have reasonable expectation that the Company will have adequate cash resources to meet their financial obligations as they fall due for at least one year from signing the accounts and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Company.

2.5 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.

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.6 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.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Pensions

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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Government grants

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a 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 Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model, other than the investment property, 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.

Depreciation is charged in order to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight-line method and on a reducing balance basis.

Depreciation is provided on the following bases:

Leasehold property	- over the length of the lease
Plant & machinery	- 15% reducing balance

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 the Statement of Comprehensive Income.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Leases

Accounting policy applicable before 1 May 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. These leases are recognised in the Balance Sheet. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Accounting policy applicable from 1 May 2019

IFRS 16 was adopted as at 1 May 2019 without restatement of comparative figures.

A right-of-use asset and a lease liability has been recognised for all leases except leases of low value assets, which are considered to be those with a fair value below £4,500, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or the Statement of Comprehensive Income if the right-of-use asset is already reduced to zero.

On the Balance Sheet, right-of-use assets have been included in plant and machinery and leasehold property.

2.12 Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. It is subsequently carried at fair value which is determined annually. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.13 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 Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime Expected Credit Losses ("ECL") for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Cash and cash equivalents

IAS7 defines cash and cash equivalents as comprising of cash in hand and demand deposits. The term demand deposit refers to deposits where the Company can withdraw cash without giving any notice or suffering any penalty.

The Company benefits from having access to a group wide cash pooling facility which is controlled by the ultimate parent company. Although the accounts are held and managed locally, the substance of the arrangement is that of an intercompany balance due to the requirement to request authority and give notice of the companies' intended use to the parent company. The nature of this facility therefore does not satisfy the definition of cash and cash equivalents and has instead been presented within amounts due from group undertakings.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Company are outlined below.

Useful economic lives of tangible fixed assets

Tangible fixed assets are depreciated over their useful economic lives on a straight-line or reducing balance basis depending on what is deemed most appropriate for the assets in question. The Company exercises judgement to determine these useful economic lives and means of depreciation.

Revenue recognition

For the purposes of recognising revenue, the directors are required to identify distinct goods and services and allocate the transaction price to the different performance obligations. Management consider carefully when control passes for the goods in question so as to determine the appropriate revenue recognition point.

Impairment of debtors

The trade debtors balance of £1,253,210 (2018: £1,576,935) comprises a relatively small number of large balances. A full line by line review of trade receivables is carried out at the end of each month in order to estimate the likely lifetime credit losses. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the levels of debt which ultimately prove to be uncollectable.

Stock provision

The Company has stock totalling £282,900 (2018: £398,234) at the Balance Sheet date. In assessing the magnitude of stock provision required at the year end, the directors have reviewed the products with regard to their current condition, their remaining life, along with recent and expected future sales patterns.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

Analysis of turnover by country of destination:

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
United Kingdom	3,878,322	5,876,847
Rest of Europe	817,028	1,131,474
Rest of the world	51,940	67,857
	<u>4,747,290</u>	<u>7,076,178</u>

All turnover from performance obligations are recognised at a point in time.

5. Other operating income

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Other income	<u>131,778</u>	<u>2,250</u>

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6. Operating profit

The operating profit is stated after charging/(crediting):

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Depreciation of tangible fixed assets	297,186	360,242
Foreign exchange losses	2,885	554
Government grants	-	(2,250)
(Profit)/loss on disposal of assets	(10,142)	1,367
Cost of inventories recognised as an expense	1,564,223	2,555,278
Impairment (gains)/losses on financial and contract assets	-	12,363
Impairment of inventory	98,251	-
	<u>98,251</u>	<u>-</u>

7. Auditor's remuneration

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,950	9,600
	<u>10,950</u>	<u>9,600</u>

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

8. Employees

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

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Wages and salaries	1,344,769	1,793,971
Social security costs	129,987	159,868
Company contributions to defined contribution pension schemes	40,531	44,201
	<u>1,515,287</u>	<u>1,998,040</u>

The average monthly number of employees, including directors, during the period was 64 (*year ended 30 April 2019: 65*).

9. Directors' remuneration

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Directors' emoluments	47,637	16,775
Company contributions to defined contribution pension schemes	1,692	330
	<u>49,329</u>	<u>17,105</u>

During the period retirement benefits were accruing to 1 director (*year ended 30 April 2019: 1*) in respect of defined contribution pension schemes.

10. Interest receivable

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Other interest receivable	<u>1,140</u>	<u>2,398</u>

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

11. Interest payable and similar expenses

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Lease interest	13,049	12,633

12. Taxation

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Corporation tax		
Current tax on profits for the period/year	28,204	243,022
Adjustments in respect of previous periods	(3,112)	277
Total current tax	25,092	243,299
Deferred tax		
Origination and reversal of timing differences	(15,237)	(11,186)
Adjustments in respect of prior periods	1,057	40
Total deferred tax	(14,180)	(11,146)
Taxation on profit on ordinary activities	10,912	232,153

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

12. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than *(30 April 2019: lower than)* the standard rate of corporation tax in the UK of 19% *(30 April 2019: 19%)*. The differences are explained below:

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Profit on ordinary activities before tax	969,888	1,370,322
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% <i>(30 April 2019: 19%)</i>	184,279	260,361
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,081	5,613
Adjustments to tax charge in respect of prior periods	(3,112)	277
Adjustments to tax charge in respect of prior periods - deferred tax	1,057	40
Other permanent differences	(130,598)	-
Non-taxable income	-	(428)
Additional deduction for R&D expenditure	-	(34,981)
Deferred tax rate adjustments	1,792	1,271
R&D expenditure credits	2,419	-
Group relief claimed	(47,006)	-
Total tax charge for the period/year	10,912	232,153

Factors that may affect future tax charges

The statutory UK corporation tax rate is currently 19%, effective from 1 April 2017 (reduced from 20% previously). Note, this rate will be further reduced in future periods to 17% (effective from 1 April 2020 – substantially enacted on 15 September 2016).

However, the UK government announced, in their budget held on 11 March 2020, that the corporation tax rate applicable from 1 April 2020 is now to remain at 19%. This change was substantively enacted on 17 March 2020.

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

13. Dividends

	Period ended 31 December 2019 £	Year ended 30 April 2019 £
Dividends paid	6,250	75,000

14. Tangible fixed assets

	Leasehold property £	Plant & machinery £	Total £
Cost or valuation			
At 1 May 2019	63,096	3,026,845	3,089,941
First time application of IFRS 16	318,978	55,915	374,893
At 1 May 2019 (as restated)	382,074	3,082,760	3,464,834
Additions	2,571	80,831	83,402
Disposals	-	(57,306)	(57,306)
At 31 December 2019	384,645	3,106,285	3,490,930
Depreciation			
At 1 May 2019	35,028	1,136,087	1,171,115
Charge for the period	80,983	216,203	297,186
Disposals	-	(23,332)	(23,332)
At 31 December 2019	116,011	1,328,958	1,444,969
Net book value			
At 31 December 2019	268,634	1,777,327	2,045,961
At 30 April 2019	28,068	1,890,758	1,918,826

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

15. Leases

As indicated in note 2.3, the Company has adopted IFRS 16 Leases retrospectively from 1 May 2019 but has not restated comparatives for the 30 April 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 May 2019. The new accounting policies are disclosed in note 2.11. Relevant practical expedients have been used in applying IFRS 16.

The Company has lease contracts for offices and plant & machinery, which includes motor vehicles. The amounts recognised in the financial statements in relation to the leases are as follows.

	Leasehold property £	Plant & machinery £	Total £
Right-of-use asset			
At 1 May 2019	-	1,437,685	1,437,685
First time application of IFRS 16	318,978	55,915	374,893
At 1 May 2019 restated	318,978	1,493,600	1,812,578
Additions	-	22,232	22,232
Depreciation	(68,968)	(190,346)	(259,314)
At 31 December 2019	250,010	1,325,486	1,575,496
Liability			
At 1 May 2019	-	270,794	270,794
First time application of IFRS 16	318,978	55,915	374,893
At 1 May 2019 restated	318,978	326,709	645,687
Additions	-	22,232	22,232
Interest expense	8,238	4,811	13,049
Lease payments	(73,600)	(173,732)	(247,332)
At 31 December 2019	253,616	180,020	433,636

In the previous year, the Company only recognised leased assets and liabilities in relation to leases that were classified as finance leases.

The nature and accounting of Company's leasing activities:

The Company has lease contracts for property, equipment and other assets which have lease terms varying between 2 and 10 years.

For contracts that both convey a right to the Company to use an identified asset and require service to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

15. Leases (continued)

The lease term begins at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 May 2019. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 3.45%.

Measurement of lease liability

	£
Operating lease commitments disclosed at 30 April 2019	416,860
Discounted using the incremental borrowing rate at 1 May 2019	374,893
Existing finance lease liability at 1 May 2019	270,794
Total lease liability as at 1 May 2019	645,687

16. Investment property

	Freehold investment property £
At 1 May 2019	130,000
Disposal	(130,000)
At 31 December 2019	-

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

17. Stocks

	31 December 2019 £	<i>30 April 2019 £</i>
Raw materials and consumables	173,190	322,966
Work in progress (goods to be sold)	51,353	32,429
Finished goods and goods for resale	58,357	42,839
	<u>282,900</u>	<u>398,234</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

18. Debtors

	31 December 2019 £	<i>30 April 2019 £</i>
Due after more than one year		
Other debtors	18,444	21,837
	<u>18,444</u>	<u>21,837</u>
Due within one year		
Trade debtors	1,253,210	1,576,935
Amounts owed by group undertakings	2,000,000	-
Other debtors	26,164	65,282
Prepayments and accrued income	35,242	64,917
	<u>3,333,060</u>	<u>1,728,971</u>

Trade debtors are stated after provisions for impairment of £Nil (30 April 2019: £Nil).

Amounts owed by group undertakings relates to cash pool balances and as such this sum is secured and accrues interest at variable rates.

19. Cash and cash equivalents

	31 December 2019 £	<i>30 April 2019 £</i>
Cash at bank and in hand	873,754	1,501,097

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

20. Creditors: Amounts falling due within one year

	31 December 2019 £	<i>30 April 2019 £</i>
Trade creditors	366,455	564,687
Corporation tax	266,009	243,299
Other taxation and social security	162,028	260,937
Lease liabilities	248,267	197,967
Accruals and deferred income	78,422	79,382
	<u>1,121,181</u>	<u>1,346,272</u>

Lease liabilities included in the above are secured against the assets to which they relate.

21. Creditors: Amounts falling due after more than one year

	31 December 2019 £	<i>30 April 2019 £</i>
Lease liabilities	185,369	72,827
	<u>185,369</u>	<u>72,827</u>

Lease liabilities included in the above are secured against the assets to which they relate.

22. Deferred taxation

	31 December 2019 £	<i>30 April 2019 £</i>
At beginning of period/year	(176,839)	(187,985)
Credited to profit or loss	14,180	11,146
At end of period/year	<u>(162,659)</u>	<u>(176,839)</u>

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	31 December 2019 £	30 April 2019 £
Accelerated capital allowances	(164,644)	(173,659)
Tax losses carried forward	1,092	(2,549)
Short term timing differences	893	(631)
	<u>(162,659)</u>	<u>(176,839)</u>

23. Share capital

	31 December 2019 £	30 April 2019 £
Allotted, called up and fully paid		
54,256 (30 April 2019: 51,001) Ordinary shares of £1.00 each	<u>54,256</u>	<u>51,001</u>

On 31 July 2019, the Company issued 3,255 Ordinary shares at a nominal value of £1.00 per share for an aggregate value of £32,550.

The ordinary shares have attached to them full voting, dividend and capital distribution rights.

24. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Capital redemption reserve

This reserve relates to the nominal value of shares that the Company has bought back.

Profit & loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

AMBERLEY ADHESIVE LABELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

25. Share based payments

During the period, 3,255 options vested and were exercised. No options were in place at the end of the period.

26. Capital commitments

The Company had capital commitments of £52,270 at the end of the period.

27. 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 £40,531 (*year ended 30 April 2019: £44,201*). Contributions totalling £10,961 (*year ended 30 April 2019: £9,130*) were payable to the fund at the reporting date.

28. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2019 £	30 April 2019 £
Not later than 1 year	-	147,564
Later than 1 year and not later than 5 years	-	269,296
	<u>-</u>	<u>416,860</u>

The Company applied IFRS 16 from 1 May 2019, this is disclosed in note 15. Therefore, the Company has no operating lease commitments at 31 December 2019.

AMBERLEY ADHESIVE LABELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

29. Related party transactions

The Company had made loans to a former director T Smith, the outstanding balance of £35,178 was repaid in full during the period. The advance was unsecured and repayable on demand, interest was charged at 3%.

During the period, dividends of £6,250 (*year ended 30 April 2019: £75,000*) and emoluments of £49,329 (*year ended 30 April 2019: £17,105*) (including pensions) were paid to key management personnel. In addition, emoluments of £54,309 (*year ended 30 April 2019: £112,169*) (including pensions) were paid to close family members of key management personnel in relation to their services to the Company.

In addition, the Company received other income of £116,500 from T Smith. The Company also disposed of fixed assets with a net book value of £33,964 to a company controlled by T Smith, receiving proceeds of £42,925, as well as an investment property with a net book value of £130,000 receiving proceeds of the same amount. Furthermore, the Company utilised services provided by a company controlled by T Smith at a total expense during the period of £235 (*year ended 30 April 2019: £287*).

30. Post balance sheet events

In the period since 31 December 2019 a global pandemic, COVID-19, has emerged. The global response continues to evolve and the implications for businesses such as Amberley Adhesive Labels Limited are not yet fully known. As a result, the directors are unable to give an estimate on the financial impact of the COVID-19 pandemic. The effects of the pandemic on the business are described in the 'Business review 2020' in the Strategic Report on page 2.

31. Controlling party

The immediate parent undertaking is Coveris Flexibles Holdings UK Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party of the Company is a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc.

The largest and smallest company to consolidate the results and financial position of the Company is that headed by Coveris S.A. These consolidated financial statements are available from www.lbr.lu.