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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

P Fecher  
A Fecher  
P King  
M D Fecher  
A Lewis  
S Williamson

**COMPANY SECRETARY**

P King

**REGISTERED NUMBER**

07022309

**REGISTERED OFFICE**

Waterside  
Disley  
Stockport  
Cheshire  
SK12 2HW

**INDEPENDENT AUDITOR**

Crossley Financial Accounting Limited  
Chartered Accountants & Statutory Auditors  
Star House  
Star Hill  
Rochester  
Kent  
ME1 1UX

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## **NORTHWOOD TISSUE (DISLEY) LIMITED**

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## NORTHWOOD TISSUE (DISLEY) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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#### INTRODUCTION

During the year under review, the company's principal trading activity has continued to be the manufacture of paper tissue and towelling for the Away from Home market and the business has continued to supply both related companies and external third party customers. There have been no significant changes to the way that the business is operated and there has been no significant impact from the position of the economy. The company has not introduced any new product ranges during the year and there have not been any significant changes to existing products. The business has continued to focus on the challenges of improving energy and production efficiencies and maximising production yields.

#### BUSINESS REVIEW

The company has remained profitable during the year and has maintained a strong order book. The company has a good outlook and 2016 performance to date is in line with the previous year. Reported turnover in 2015 is broadly unchanged and gross profit increased by 6.2%, with a significant benefit from lower energy costs during the year. Operating costs of the business were higher than in the previous year, with higher depreciation charges following a prior year revaluation and an increase in the premises rental costs, resulting in an operating profit of £713k.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The company does not operate in a high risk environment and the nature of the vertically integrated supply chain that the company works within, along with related companies who are either suppliers or customers, ensures that there is not an over-reliance on any specific external supplier or customer. The nature of commercial markets means that the business continually focuses on the credit management controls required to minimise the risk of bad debts and to ensure the smooth flow of product. The company continues to comply with all relevant environmental and industry legislation and this is facilitated through continued membership of the CPI. The company has been accredited with the Ecolabel standard meaning that Ecolabel certified products can be manufactured at the company's related converting plants using base sheet supplied by the business.

#### FINANCIAL KEY PERFORMANCE INDICATORS

Sales and production volumes are valuable KPIs for the business and these are reported on a daily basis to the management team of the business. Production yield from the plant is also a valuable measure which drives internal reporting and controls. Sales volumes during the year showed a small increase on the previous year, as did both the volume of deinked pulp and tissue paper manufactured by the business.

This report was approved by the board on 6<sup>th</sup> September 2016 and signed on its behalf.



**P King**  
Secretary

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## **NORTHWOOD TISSUE (DISLEY) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the financial statements for the year ended 31 December 2015.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £453,582 (2014 - £846,259).

The directors do not recommend a dividend.

#### **DIRECTORS**

The directors who served during the year were:

P Fecher  
A Fecher  
P King  
M D Fecher  
A Lewis  
S Williamson

#### **FUTURE DEVELOPMENTS**

Information on likely future developments in the business of the company has been included in the Strategic Report on page 1.

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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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**

There have been no significant events affecting the Company since the year end.

**AUDITORS**

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

This report was approved by the board on *6<sup>th</sup> September 2016* and signed on its behalf.



**P King**  
Secretary

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## NORTHWOOD TISSUE (DISLEY) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO NORTHWOOD TISSUE (DISLEY) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

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We have examined the abbreviated accounts set out on pages 5 to 24, together with the financial statements of Northwood Tissue (Disley) Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 7 to 24 have been properly prepared in accordance with the regulations made under that section.

*Crossley Financial Accounting Ltd*

Trevor Rose FCA, CTA (Senior Statutory Auditor)

for and on behalf of

**Crossley Financial Accounting Limited**

Chartered Accountants  
Statutory Auditors

Star House  
Star Hill  
Rochester  
Kent  
ME1 1UX

Date: *12<sup>th</sup> September 2016*

**NORTHWOOD TISSUE (DISLEY) LIMITED**

**ABBREVIATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		18,978,939	18,948,311
Cost of sales		<u>(13,953,457)</u>	<u>(14,217,586)</u>
<b>Gross profit</b>		<b>5,025,482</b>	<b>4,730,725</b>
Selling and distribution expenses		(70,591)	(156,223)
Administrative expenses		(1,365,981)	(1,447,495)
Other operating income		350,581	400,000
Indirect production expenses		<u>(3,226,280)</u>	<u>(2,419,961)</u>
<b>Operating profit</b>		<b>713,211</b>	<b>1,107,046</b>
Interest payable and similar charges	7	<u>(31,358)</u>	<u>(63,137)</u>
<b>Profit on ordinary activities before taxation</b>		<b>681,853</b>	<b>1,043,909</b>
Taxation on profit/(loss) on ordinary activities	8	<u>(228,271)</u>	<u>(197,650)</u>
<b>Profit for the year</b>		<u><b>453,582</b></u>	<u><b>846,259</b></u>

The notes on pages 10 to 24 form part of these financial statements.



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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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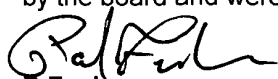
	Note	2015 £	2014 £
Profit for the financial year		<u>453,582</u>	<u>846,259</u>
<b>Other comprehensive income</b>			
Unrealised surplus/deficit on revaluation of tangible fixed assets		-	4,650,887
Movement on deferred tax relating to revaluation of plant and machinery		<u>140,964</u>	<u>(976,686)</u>
<b>Other comprehensive income for the year</b>		<u>140,964</u>	<u>3,674,201</u>
<b>Total comprehensive income for the year</b>		<u><u>594,546</u></u>	<u><u>4,520,460</u></u>

**NORTHWOOD TISSUE (DISLEY) LIMITED**  
**REGISTERED NUMBER:07022309**

**ABBREVIATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	9	6,130,476	6,519,534
		<u>6,130,476</u>	<u>6,519,534</u>
<b>Current assets</b>			
Stocks	10	754,792	1,022,908
Debtors: amounts falling due after more than one year	11	250,000	250,000
Debtors: amounts falling due within one year	11	4,397,739	5,324,106
Cash at bank and in hand	12	116,182	72,817
		<u>5,518,713</u>	<u>6,669,831</u>
Creditors: amounts falling due within one year	13	(3,956,855)	(5,828,298)
<b>Net current assets</b>		<u>1,561,858</u>	<u>841,533</u>
<b>Total assets less current liabilities</b>		<u>7,692,334</u>	<u>7,361,067</u>
Creditors: amounts falling due after more than one year	14	-	(134,069)
<b>Provisions for liabilities</b>			
Deferred tax		(997,903)	(1,127,113)
Other provisions	18	(293,680)	(293,680)
		<u>(1,291,583)</u>	<u>(1,420,793)</u>
<b>Net assets</b>		<u>6,400,751</u>	<u>5,806,205</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Share premium account		99,900	99,900
Non distributable reserve		3,342,889	3,674,201
Profit and loss account		2,957,862	2,032,004
		<u>6,400,751</u>	<u>5,806,205</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 06/09/2016

  
**P Fecher**  
 Director

**NORTHWOOD TISSUE (DISLEY) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2015**

	Share capital £	Share premium £	Non distributable reserve £	Retained earnings £	Total equity £
At 1 January 2015	100	99,900	3,674,201	2,032,004	5,806,205
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	453,582	453,582
Deferred tax movement	-	-	140,964	-	140,964
<b>Other comprehensive income for the year</b>	-	-	140,964	-	140,964
<b>Total comprehensive income for the year</b>	-	-	140,964	453,582	594,546
Transfer to/from profit and loss account	-	-	(472,276)	472,276	-
<b>AT 31 December 2015</b>	<b>100</b>	<b>99,900</b>	<b>3,342,889</b>	<b>2,957,862</b>	<b>6,400,751</b>

**NORTHWOOD TISSUE (DISLEY) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2014**

	Share capital £	Share premium £	Non distributable reserve £	Retained earnings £	Total equity £
At 1 January 2014	100	99,900	-	1,185,745	1,285,745
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	846,259	846,259
Deferred tax movement	-	-	(976,686)	-	(976,686)
Surplus on revaluation of other fixed assets	-	-	4,650,887	-	4,650,887
<b>Other comprehensive income for the year</b>	-	-	3,674,201	-	3,674,201
<b>Total comprehensive income for the year</b>	-	-	3,674,201	846,259	4,520,460
<b>AT 31 December 2014</b>	<b>100</b>	<b>99,900</b>	<b>3,674,201</b>	<b>2,032,004</b>	<b>5,806,205</b>

The notes on pages 10 to 24 form part of these financial statements.

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## **NORTHWOOD TISSUE (DISLEY) LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1. GENERAL INFORMATION**

Northwood Tissue (Disley) Limited is a private company, limited by shares, domiciled in England and Wales. The registered office is Waterside, Disley, Stockport, Cheshire, SK12 2HW.

#### **2. ACCOUNTING POLICIES**

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

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

These financial statements for the year ended 31 December 2015 are the first financial statements that the company complies with FRS 102. The date of transition is 1 January 2014.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

##### **2.2 Revenue**

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

###### **Sale of goods**

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

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

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## NORTHWOOD TISSUE (DISLEY) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

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## 2. ACCOUNTING POLICIES (continued)

### 2.3 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

The estimated useful lives range as follows:

Plant & machinery	-	2 to 12 years
Motor vehicles	-	3 years

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 within 'other operating income' in the Income Statement.

### 2.4 Operating leases: Lessee

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

### 2.5 Stocks

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

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

### 2.6 Debtors

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

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## **NORTHWOOD TISSUE (DISLEY) LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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## **2. ACCOUNTING POLICIES (continued)**

### **2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **2.8 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## **NORTHWOOD TISSUE (DISLEY) LIMITED**

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### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **2. ACCOUNTING POLICIES (continued)**

##### **2.10 Foreign currency translation**

###### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

###### **Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

##### **2.11 Finance costs**

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.12 Pensions**

###### **Defined contribution pension plan**

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

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

##### **2.13 Borrowing costs**

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.



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## NORTHWOOD TISSUE (DISLEY) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

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## 2. ACCOUNTING POLICIES (continued)

### 2.14 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

### 2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2.16 Invoice discounting

The company discounts its trade debts. The accounting policy is to include a gross asset for trade debtors due within one year and to record the returnable element of the proceeds under creditors due within one year. Discount fees are charged to the profit and loss account when payable. Bad debts are borne by the company and charged to the profit and loss account when reasonably foreseeable.

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## NORTHWOOD TISSUE (DISLEY) LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made the following judgments:

Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation and maintenance programs are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

#### 4. AUDITOR'S REMUNERATION

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	11,593	8,575
	<u>11,593</u>	<u>8,575</u>

#### 5. EMPLOYEES

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

	2015 £	2014 £
Wages and salaries	2,058,438	2,145,265
Social security costs	215,522	244,914
Cost of defined contribution scheme	73,706	83,955
	<u>2,347,666</u>	<u>2,474,134</u>

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

	2015 No.	2014 No.
Direct staff	29	31
Indirect staff	20	18
Administration staff	9	10
Directors	6	6
	<u>64</u>	<u>65</u>

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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**6. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Directors' emoluments	118,381	215,926
Company contributions to defined contribution pension schemes	-	8,662
Compensation for loss of office	-	66,217
	<u>118,381</u>	<u>290,805</u>

During the year retirement benefits were accruing to no directors (2014 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (2014 - £224,149).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2014 - £8,662).

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank interest payable	31,358	60,194
Other interest payable	-	2,943
	<u>31,358</u>	<u>63,137</u>

**8. TAXATION**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	216,517	154,643
Adjustments in respect of previous periods	-	34,218
<b>Total current tax</b>	<u>216,517</u>	<u>188,861</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	11,754	8,789
<b>Total deferred tax</b>	<u>11,754</u>	<u>8,789</u>
<b>Taxation on profit on ordinary activities</b>	<u>228,271</u>	<u>197,650</u>

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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**8. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>681,853</u>	<u>1,043,909</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	<b>136,371</b>	219,221
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>18,546</b>	9,908
Capital allowances for year in excess of depreciation	<b>58,963</b>	(20,980)
Adjustments to tax charge in respect of prior periods	-	34,218
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(57,054)
Other differences leading to an increase (decrease) as a result of deferred tax	<b>11,754</b>	8,789
Other differences leading to an increase (decrease) in the tax charge	<u><b>2,637</b></u>	<u>3,548</u>
<b>Total tax charge for the year</b>	<u><b>228,271</b></u>	<u>197,650</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**9. TANGIBLE FIXED ASSETS**

	Plant & machinery £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2015	6,519,534	-	6,519,534
Additions	179,706	23,415	203,121
At 31 December 2015	6,699,240	23,415	6,722,655
<b>DEPRECIATION</b>			
Charge owned for the period	592,179	-	592,179
At 31 December 2015	592,179	-	592,179
<b>NET BOOK VALUE</b>			
At 31 December 2015	6,107,061	23,415	6,130,476
At 31 December 2014	6,519,534	-	6,519,534

**10. STOCKS**

	2015 £	2014 £
Raw materials and consumables	620,964	676,083
Finished goods and goods for resale	133,828	346,825
	754,792	1,022,908

**NORTHWOOD TISSUE (DISLEY) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**11. DEBTORS**

	2015 £	2014 £
<b>Due after more than one year</b>		
Other debtors	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
	2015 £	2014 £
<b>Due within one year</b>		
Trade debtors	3,494,743	5,148,665
Other debtors	642,253	16,662
Prepayments and accrued income	260,743	158,779
	<u>4,397,739</u>	<u>5,324,106</u>

**12. CASH AND CASH EQUIVALENTS**

	2015 £	2014 £
Cash at bank and in hand	116,182	72,817
Less: bank overdrafts	(52,720)	(1,852,850)
	<u>63,462</u>	<u>(1,780,033)</u>

**13. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Bank overdrafts	52,720	1,852,850
Bank loans	134,069	260,364
Trade creditors	2,554,363	1,381,598
Corporation tax	16,910	33,643
Taxation and social security	329,634	468,229
Other creditors	15,654	23,060
Accruals and deferred income	853,505	1,808,554
	<u>3,956,855</u>	<u>5,828,298</u>

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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**13. CREDITORS: Amounts falling due within one year (continued)**

**Secured loans**

A Chattel Mortgage dated 9 July 2012 over the company's plant and machinery is held by Lombard as security for a loan included above amounting to £134,069 (2014 - £260,364). A general debenture dated 4 July 2012 is also held by Lombard over the above mentioned loan.

An all asset debenture dated 6 July 2012 is held by RBS as security for the invoice financing debt included above amounting to £52,690 (2014 - £1,612,284).

A general debenture dated 27 June 2012 is held by National Westminster Bank Plc. The debenture is a fixed and floating charge over property and assets.

A general debenture dated 8 January 2010 is held by Northwood Paper Sales Limited. The debenture is a fixed and floating charge over property and assets.

**14. CREDITORS: Amounts falling due after more than one year**

	2015 £	2014 £
Bank loans	-	134,069
	<u>-</u>	<u>134,069</u>

**Secured loans**

A Chattel Mortgage dated 9 July 2012 over the company's plant and machinery is held by Lombard as security for a loan included above amounting to £Nil (2014 - £134,069). A general debenture dated 4 July 2012 is also held by Lombard over the above mentioned loan. The debenture is a fixed and floating charge over property and assets. The loan is repayable in monthly installments at a fixed rate of interest.

**15. LOANS**

Analysis of the maturity of loans is given below:

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Bank loans	<u>134,069</u>	<u>260,364</u>
	<u>134,069</u>	<u>260,364</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	<u>-</u>	<u>134,069</u>
	<u>-</u>	<u>134,069</u>

**NORTHWOOD TISSUE (DISLEY) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**16. FINANCIAL INSTRUMENTS**

	2015 £	2014 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>4,386,996</u>	<u>5,415,327</u>
	<u><b>4,386,996</b></u>	<u><b>5,415,327</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(3,610,312)</u>	<u>(5,457,752)</u>
	<u><b>(3,610,312)</b></u>	<u><b>(5,457,752)</b></u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and loans.

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors and loans.

**17. DEFERRED TAXATION**

	Deferred tax £
At 1 January 2015	1,127,113
Charged to the profit or loss	<u>(129,210)</u>
<b>At 31 December 2015</b>	<u><b>997,903</b></u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	162,179	150,426
Deferred tax liability on revaluation of plant and machinery	<u>835,724</u>	<u>976,687</u>
	<u><b>997,903</b></u>	<u><b>1,127,113</b></u>



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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**18. PROVISIONS**

	Dilapidation Provision £
At 1 January 2015	293,680
<b>At 31 December 2015</b>	<b>293,680</b>

The above provision relates to dilapidation costs in respect of the properties leased.

**19. SHARE CAPITAL**

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

**20. CAPITAL COMMITMENTS**

At 31 December 2015 the Company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	322,283	-
	<b>322,283</b>	<b>-</b>

**21. PENSION COMMITMENTS**

The company operates a defined contributions 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 £73,706 (2014 - £83,955). Contributions totaling £12,695 (2014 - £17,187) were payable to the fund at the balance sheet date and are included in creditors.

# NORTHWOOD TISSUE (DISLEY) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Other operating</b>		
Not later than 1 year	11,749	95,559
Later than 1 year and not later than 5 years	3,188	27,541
<b>Total</b>	<u>14,937</u>	<u>123,100</u>
	2015 £	2014 £
<b>Land and buildings</b>		
Not later than 1 year	250,000	250,000
Later than 1 year and not later than 5 years	125,000	375,000
<b>Total</b>	<u>375,000</u>	<u>625,000</u>

### 23. TRANSITION TO FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

#### Reconciliation of equity at 1 January 2014

	Note	£
Equity at 1 January 2014 under previous UK GAAP		1,285,745
Revaluation to fair value		4,650,887
<b>EQUITY SHAREHOLDERS FUNDS AT 1 JANUARY 2014 UNDER FRS 102</b>		<u>5,936,632</u>

#### Reconciliation of equity at 31 December 2014

	Note	£
Equity at 31 December 2014 under previous UK GAAP		6,782,891
Deferred tax on revaluation		(976,686)
<b>EQUITY SHAREHOLDERS FUNDS AT 31 DECEMBER 2014 UNDER FRS 102</b>		<u>5,806,205</u>

#### Reconciliation of profit and loss account for the year ended 31 December 2014

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**NORTHWOOD TISSUE (DISLEY) LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**23. TRANSITION TO FRS 102 (continued)**

Profit for the year under UK GAAP	<b>846,259</b>
<b>PROFIT FOR THE YEAR ENDED 31 DECEMBER 2014 UNDER FRS 102</b>	<b>846,259</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 FRS 102 requires that deferred tax be recognised on revaluations of plant and machinery to fair value. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to increase the deferred tax charge for the year ended 31 December 2014.

On transition to FRS 102, the company has taken the exemption to elect to measure plant and machinery at its fair value and use that fair value as its deemed cost at that date.