

Company Registration No. 09272231 (England and Wales)

JABLITE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



JABLITE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R P S Lee W R Brown J G Colley E A Wass
Secretary	M D Groom
Company number	09272231
Registered office	Infinity House Anderson Way Belvedere Kent England DA17 6BG
Auditor	Wilkins Kennedy Audit Services 2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN

JABLITE HOLDINGS LIMITED

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JABLITE HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

The profitability of the Group reduced from 2017 due to higher than expected raw material costs as well as continued investment in emerging products. 2018 saw significant growth in the Group's own flooring system and this growth is forecast to continue in 2019 as new agreements are secured.

During the year the Group undertook an internal business review which resulted in a restructuring programme to streamline operations.

Key Performance Indicators	2018		2017	
Turnover	£41.638m		£36.492m	
Gross Profit	£13.224m	31.76% of T/O	£13.875m	38.02% of T/O
EBITDA (Loss)/ Profit	(£1.908m)		(£1.133m)	
Group Operating (Loss)/ Profit	(£2.617m)		(£1.892m)	

Principal risks and uncertainties

The directors take their responsibility for Corporate Governance very seriously and continually assess risk and their mitigation in terms of market, operational, liquidity, foreign exchange and credit risks. The principal market risks affecting the Group are volatility of housing starts emanating from general confidence in the U.K economy and Government funding initiatives, and volatility in raw material and energy costs.

Foreign exchange risk arises as the Group purchases raw materials from overseas. These risks are mitigated by the Group using hedging products to eliminate or reduce risk of foreign exchange movements.

The Group seeks to manage liquidity risk by ensuring sufficient cash is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group reviews its cash flow forecasts on a regular basis.

In order to manage credit risk, the directors ensure that all new customers undergo third party credit checks and credit limits are set based on a combination of credit checks and payment history. The Group also uses credit insurance to reduce the risk.

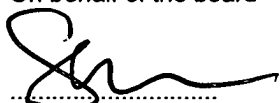
In the event of a no deal Brexit the Group's imports could be subject to import duties. In addition, delays at the ports could impact lead times. The Group proposes to reduce this risk by adjusting stock holdings accordingly. The Group seeks to diversify its product offering into new markets to reduce the risk of a housing downturn due to Brexit.

Development and performance

The Group continues to invest in developing and launching differentiated products, providing added value solutions to its customer base.

The Group recognises that one of its key strengths is the quality of its employees. Thus, the Group makes significant efforts to train and develop its employees, to ensure that they are the best in their respective field.

On behalf of the board



R P S Lee

Director

23rd September 2019.

JABLITE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company and group continued to be that of a holding company of a group containing two principal trading subsidiaries, namely Jablite Limited and Styropack (UK) Limited.

The principal trading activity of Jablite Limited is the manufacture and processing of expanded polystyrene (EPS) for the insulation of floors, walls and roofs as supplied to the construction industry as well as for various applications in the Civil engineering market such as void forming and as a lightweight fill for roads and embankments.

The principal trading activity of Styropack (UK) Limited is the manufacture of expanded polystyrene packaging products principally for the bespoke industrial sector (Brown/ White Goods) and a range of standard products meeting the needs of the horticulture, fish and produce markets.

Directors

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

R P S Lee

W R Brown

J G Colley

E A Wass

K Hutchins

(Retired 30 September 2018)

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Wilkins Kennedy Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

JABLITE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Statement of disclosure to auditor

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

On behalf of the board



R P S Lee
Director

Date:

23rd September 2019

JABLITE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JABLITE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Jablite Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

JABLITE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JABLITE HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

JABLITE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JABLITE HOLDINGS LIMITED

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.



Nicholas Parrett (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

23/9/19

Accountants
Statutory Auditor

2nd Floor
Regis House
45 King William Street
London
United Kingdom
EC4R 9AN

JABLITE HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	4	41,637,537	36,492,348
Cost of sales		(28,414,033)	(23,230,670)
Gross profit		13,223,504	13,261,678
Distribution costs		(5,469,356)	(4,742,889)
Administrative expenses		(9,745,649)	(10,410,467)
Exceptional item	5	(625,900)	-
Operating loss	6	(2,617,401)	(1,891,678)
Interest receivable and similar income	10	673	2,371
Interest payable and similar expenses	11	(167,064)	(41,923)
Loss before taxation		(2,783,792)	(1,931,230)
Tax on loss	12	1,065,258	1,116,616
Loss for the financial year		(1,718,534)	(814,614)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

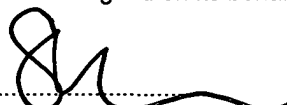
JABLITE HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	13	106,469		156,063	
Tangible assets	14	2,340,061		2,735,910	
		<u>2,446,530</u>		<u>2,891,973</u>	
Current assets					
Stocks	18	1,855,675		2,570,380	
Debtors	19	11,792,603		11,050,252	
Cash at bank and in hand		784,778		789,686	
		<u>14,433,056</u>		<u>14,410,318</u>	
Creditors: amounts falling due within one year	20	(15,356,412)		(13,886,226)	
Net current (liabilities)/assets		<u>(923,356)</u>		<u>524,092</u>	
Total assets less current liabilities		<u>1,523,174</u>		<u>3,416,065</u>	
Creditors: amounts falling due after more than one year	21	(339,595)		(513,952)	
Net assets		<u><u>1,183,579</u></u>		<u><u>2,902,113</u></u>	
Capital and reserves					
Called up share capital	26	431,570		431,570	
Share premium account		1,318,680		1,318,680	
Profit and loss reserves		(566,671)		1,151,863	
Total equity		<u><u>1,183,579</u></u>		<u><u>2,902,113</u></u>	

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


.....
R P S Lee
Director

23 September 2019

JABLITE HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	15	21,841,190	21,841,190
Current assets			
Debtors	19	847,189	595,686
Cash at bank and in hand		-	142,547
		847,189	738,233
Creditors: amounts falling due within one year	20	(22,008,474)	(22,047,164)
Net current liabilities		(21,161,285)	(21,308,931)
Total assets less current liabilities		679,905	532,259
Capital and reserves			
Called up share capital	26	431,570	431,570
Share premium account		1,318,680	1,318,680
Profit and loss reserves		(1,070,345)	(1,217,991)
Total equity		679,905	532,259

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £147,646 (2017 - £153,302 profit).

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

23 September 2019



R P S Lee
Director

Company Registration No. 09272231

JABLITE HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2017	431,570	1,318,680	1,966,477	3,716,727
Year ended 31 December 2017:				
Loss and total comprehensive income for the year	-	-	(814,614)	(814,614)
Balance at 31 December 2017	431,570	1,318,680	1,151,863	2,902,113
Year ended 31 December 2018:				
Loss and total comprehensive income for the year	-	-	(1,718,534)	(1,718,534)
Balance at 31 December 2018	431,570	1,318,680	(566,671)	1,183,579

JABLITE HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2017	431,570	1,318,680	(1,371,293)	378,957
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	-	153,302	153,302
Balance at 31 December 2017	431,570	1,318,680	(1,217,991)	532,259
Year ended 31 December 2018:				
Profit and total comprehensive income for the year	-	-	147,646	147,646
Balance at 31 December 2018	431,570	1,318,680	(1,070,345)	679,905

JABLITE HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	29	(1,170,713)		(3,648,015)	
Interest paid		(211,872)		(157,079)	
Income taxes refunded		690,000		712,657	
Net cash outflow from operating activities		(692,585)		(3,092,437)	
Investing activities					
Purchase of intangible assets		(5,000)		-	
Purchase of tangible fixed assets		(259,208)		(668,306)	
Proceeds on disposal of tangible fixed assets		-		429,090	
Interest received		673		2,371	
Net cash used in investing activities		(263,535)		(236,845)	
Financing activities					
Repayment of borrowings		1,389,169		2,299,463	
Payment of finance leases obligations		(302,233)		563,084	
Net cash generated from financing activities		1,086,936		2,862,547	
Net increase/(decrease) in cash and cash equivalents		130,816		(466,735)	
Cash and cash equivalents at beginning of year		653,962		1,120,697	
Cash and cash equivalents at end of year		784,778		653,962	
Relating to:					
Cash at bank and in hand		784,778		789,686	
Bank overdrafts included in creditors payable within one year		-		(135,724)	

JABLITE HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	30	(120,834)		122,255	
Interest paid		(21,713)		(22,499)	
Net cash (outflow)/inflow from operating activities		(142,547)		99,756	
Net (decrease)/increase in cash and cash equivalents		(142,547)		99,756	
Cash and cash equivalents at beginning of year		142,547		42,791	
Cash and cash equivalents at end of year		-		142,547	

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Jablite Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Infinity House, Anderson Way, Belvedere, Kent, England, DA17 6BG.

The group consists of Jablite Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

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

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

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

All financial statements are made up to 31 December 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Going concern

Notwithstanding an loss before taxation of £2,783,792 for the year ended 31 December 2018 and operating cash outflows for the year of £692,588, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts for the group for a period of 12 months from the date of approval of these financial statements, taking into account reasonably possible downsides, which indicate that the Group will have sufficient cash resources to meet its liabilities as they fall due. In considering this assessment the directors are relying on the continued factoring arrangements and the refinancing of factoring facility for the medium term and have no reason to believe that these facilities will not continue to be available to the group. Therefore the directors have no reason to believe that there is a material uncertainty over the group and the group's ability to continue as a going concern.

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

1.4 Turnover

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

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

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

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

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

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

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

Software	5 years
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1.8 Tangible fixed assets

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

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

Plant and equipment	3 - 12 years
Fixtures and fittings	3 - 5 years

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

1.9 Fixed asset investments

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

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

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

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

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

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

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

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 Stocks

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

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

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

1.12 Cash at bank and in hand

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

1.13 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.14 Equity instruments

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

1.15 Taxation

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

Current tax

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

Deferred tax

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

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

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.18 Leases

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

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

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

1.19 Foreign exchange

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

2 Change in accounting policy

The results for the year ended 31 December 2017 have been amended to reflect the reclassification of expenses following a review of allocation of costs across the Jablite Holdings Limited Group, which were considered to be more in line with management information.

The impact on the statement of comprehensive income was to increase cost of sales by £622,124, decrease distribution costs by £66,200 and decrease administrative costs by £555,924.

3 Judgements and key sources of estimation uncertainty

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

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Trade and customer finance receivables

The company carries out credit checks on all of its corporate customers before they are granted credit terms and monitors the debt closely to ensure that sales are not made beyond agreed credit limits and that debts are collected in a timely manner.

Historical levels of bad and old debts have been very low and a provision is maintained and reviewed quarterly based on the ageing of the debts.

Customers purchasing items using credit finance are credit checked by the credit provider before the loan is approved.

Inventory valuation

Inventories are valued at the lower of cost and net realisable value. Management regularly meet to review stock ageing and a provision is calculated based upon the ageing of the stock held.

Provisions for liabilities and charges

The management give proper consideration as to whether there are any potential legal claims outstanding at the year end, which would be likely to result in an inflow of economic benefits. As at 31 December 2018 there were none.

Fair value of financial instruments

Financial instruments are valued in the accounts at their fair value. Management receive external valuations provided by the bank issuing the financial instruments and these are the valuations used as the valuations for the purposes of the accounts.

4 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	41,573,971	36,452,013
Europe	63,566	40,335
	<u>41,637,537</u>	<u>36,492,348</u>

5 Exceptional costs

	2018 £	2017 £
Loss on restructuring of operations	<u>625,900</u>	<u>-</u>

During the year, the group undertook an internal business review, which resulted in a restructuring programme to streamline operations, resulting in redundancy and other restructuring costs of £625,900 (2017: £nil).

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(26,139)	(128,532)
Research and development costs	150,824	213,228
Depreciation of owned tangible fixed assets	284,380	377,418
Depreciation of tangible fixed assets held under finance leases	370,678	327,188
Profit on disposal of tangible fixed assets	-	(240,005)
Amortisation of intangible assets	54,594	54,094
Cost of stocks recognised as an expense	21,653,023	17,574,265
Operating lease charges	2,003,577	1,892,322

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £26,139 (2017 - £128,532).

7 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	9,000
Audit of the financial statements of the company's subsidiaries	23,500	58,260
	<u>28,500</u>	<u>67,260</u>
For other services		
Audit-related assurance services	6,128	-
Taxation compliance services	25,281	22,000
Other taxation services	68,832	-
	<u>100,241</u>	<u>22,000</u>

8 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Production, distributions and sales	158	132	-	-
Management and administration	33	43	-	-
	<u>191</u>	<u>175</u>	<u>-</u>	<u>-</u>

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	6,609,614	6,107,579	-	-
Social security costs	653,740	587,082	-	-
Pension costs	221,629	219,964	-	-
	<u>7,484,983</u>	<u>6,914,625</u>	<u>-</u>	<u>-</u>

9 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	489,969	477,932
Company pension contributions to defined contribution schemes	36,477	52,890
	<u>526,446</u>	<u>530,822</u>

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

	2018 £	2017 £
Remuneration for qualifying services	191,505	187,576
Company pension contributions to defined contribution schemes	8,597	18,484
	<u>191,505</u>	<u>187,576</u>

10 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	673	2,371
	<u>673</u>	<u>2,371</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	673	2,371
	<u>673</u>	<u>2,371</u>

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	96,562	72,062
Interest on finance leases and hire purchase contracts	68,430	54,076
Interest on invoice finance arrangements	25,214	8,941
	<u>190,206</u>	<u>135,079</u>
Other finance costs:		
Finance costs for financial instruments measured at fair value through profit or loss	(44,808)	(115,156)
Other interest	21,666	22,000
	<u>167,064</u>	<u>41,923</u>

12 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	(2,937)
Adjustments in respect of prior periods	(690,000)	(709,720)
	<u>(690,000)</u>	<u>(712,657)</u>
Deferred tax		
Origination and reversal of timing differences	(375,258)	(403,959)
	<u>(375,258)</u>	<u>(403,959)</u>
Total tax credit	<u>(1,065,258)</u>	<u>(1,116,616)</u>

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

12 Taxation

(Continued)

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

	2018 £	2017 £
Loss before taxation	(2,783,792)	(1,931,230)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(528,920)	(371,762)
Tax effect of expenses that are not deductible in determining taxable profit	2,638	11,071
Tax effect of income not taxable in determining taxable profit	(6,833)	-
Unutilised tax losses carried forward	357,226	-
Effect of change in corporation tax rate	-	99,394
Permanent capital allowances in excess of depreciation	175,889	-
Research and development tax credit	(690,000)	(709,720)
Deferred tax adjustments in respect of prior years	(375,258)	(145,599)
Taxation credit	(1,065,258)	(1,116,616)

13 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 January 2018	3,647,182	270,471	3,917,653
Additions - internally developed	-	5,000	5,000
At 31 December 2018	3,647,182	275,471	3,922,653
Amortisation and impairment			
At 1 January 2018	3,647,182	114,408	3,761,590
Amortisation charged for the year	-	54,594	54,594
At 31 December 2018	3,647,182	169,002	3,816,184
Carrying amount			
At 31 December 2018	-	106,469	106,469
At 31 December 2017	-	156,063	156,063

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2018	25,857,361	1,128,584	26,985,945
Additions	254,870	4,338	259,208
At 31 December 2018	26,112,231	1,132,922	27,245,153
Depreciation and impairment			
At 1 January 2018	23,562,809	687,225	24,250,034
Depreciation charged in the year	501,042	154,016	655,058
At 31 December 2018	24,063,851	841,241	24,905,092
Carrying amount			
At 31 December 2018	2,048,380	291,681	2,340,061
At 31 December 2017	2,294,551	441,359	2,735,910

The company had no tangible fixed assets at 31 December 2018 or 31 December 2017.

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

	Group 2018 £	2017 £	Company 2018 £	2017 £
Plant and equipment	1,326,194	1,696,872	-	-

15 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	16	-	-	21,841,190	21,841,190

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Fixed asset investments	(Continued)
Movements in fixed asset investments	
Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 and 31 December 2018	21,841,190
Carrying amount	
At 31 December 2018	21,841,190
At 31 December 2017	21,841,190

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Synbra UK Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Holding company	Ordinary shares	100.00	
Jablite Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Manufacturer	Ordinary shares		100.00
Styropack (UK) Limited	Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3AS	Manufacturer	Ordinary shares		100.00
Polybox (Stornoway) Limited	Craigshaw Road, West Tullos Industrial Estate, Aberdeen, AB12 3AS	Dormant	Ordinary shares		100.00
Expanding Solutions Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00
Glenco Products Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00
Protection Packaging Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00
Expanded Polystrene Technology Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00
Stablocel Phenolics Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00
Stoneface (V.R.) Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00
Vencel Resil Limited	Infinity House, Anderson Way, Belvedere, Kent, DA17 6BG	Dormant	Ordinary shares		100.00

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

16 Subsidiaries

(Continued)

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Synbra UK Limited	12,127	23,575,279
Jablite Limited	(1,708,563)	7,622,770
Styropack (UK) Limited	(184,232)	6,032,775
Polybox (Stornoway) Limited	-	148,500
Expanding Solutions Limited	14,488	14,489
Glenco Products Limited	-	1

17 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	8,557,645	8,233,022	846,415	595,686
Carrying amount of financial liabilities				
Measured at amortised cost	14,722,091	13,503,587	21,999,702	22,038,371

18 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	879,504	1,292,997	-	-
Work in progress	69,976	291,751	-	-
Finished goods and goods for resale	906,195	985,632	-	-
	1,855,675	2,570,380	-	-

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

19 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	7,616,540	7,520,365	-	-
Amounts owed by group undertakings	-	-	846,415	595,686
Other debtors	941,105	712,657	-	-
Prepayments and accrued income	937,958	895,488	774	-
	<u>9,495,603</u>	<u>9,128,510</u>	<u>847,189</u>	<u>595,686</u>
Deferred tax asset (note 24)	965,000	1,021,365	-	-
	<u>10,460,603</u>	<u>10,149,875</u>	<u>847,189</u>	<u>595,686</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 24)	1,332,000	900,377	-	-
	<u>1,332,000</u>	<u>900,377</u>	<u>-</u>	<u>-</u>
Total debtors	<u>11,792,603</u>	<u>11,050,252</u>	<u>847,189</u>	<u>595,686</u>

20 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	22	-	135,724	-	-
Obligations under finance leases	23	174,457	302,333	-	-
Other borrowings	22	6,167,407	4,823,046	158,209	158,209
Trade creditors		6,030,032	5,221,360	-	-
Amounts owed to group undertakings		-	-	21,833,415	21,871,917
Other taxation and social security		973,916	896,591	8,772	8,793
Other creditors		48,675	53,090	8,078	8,245
Accruals and deferred income		1,961,925	2,454,082	-	-
		<u>15,356,412</u>	<u>13,886,226</u>	<u>22,008,474</u>	<u>22,047,164</u>

Other borrowings include an invoice discounting facility £6,009,198 (2017: £4,664,837) which is secured by a fixed and floating charge over all property and undertakings of the company and a negative pledge dated 23 May 2015.

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

21 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	23	339,595	513,952	-	-

22 Loans and overdrafts

		Group 2018 £	2017 £	Company 2018 £	2017 £
Bank overdrafts		-	135,724	-	-
Other loans		6,167,407	4,823,046	158,209	158,209
		6,167,407	4,958,770	158,209	158,209
Payable within one year		6,167,407	4,958,770	158,209	158,209

Other loans are secured by a first legal mortgage over all freehold and leasehold property, fixed first charge over all over interests, plant and machinery, group shares and book debts both present and future and first floating charge over all assets and undertakings both present and future date 23 April 2015.

Other loans bear interest at 10% and 13.8% per annum paid quarterly in arrears and repayable in full five years from issue with entitlement to repay the loan any time from issue together with accrued interest and premium amount on loan stock.

23 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	174,457	302,333	-	-
In two to five years	339,595	513,952	-	-
	514,052	816,285	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

24 Deferred taxation

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

	Assets 2018 £	Assets 2017 £
Group		
Accelerated capital allowances	912,786	964,720
Tax losses	1,332,000	900,377
Short term timing differences	52,214	56,645
	<u>2,297,000</u>	<u>1,921,742</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability/(asset) at 1 January 2018	(1,921,742)	-
Credit to profit or loss	(375,258)	-
Liability/(asset) at 31 December 2018	<u>(2,297,000)</u>	<u>-</u>

The deferred tax asset set out above is expected to reverse within 12 months are accelerated capital allowances and other short term timing differences. The deferred tax asset set out above relating to the utilisation of tax losses against future expected profits are expected to reverse more than 12 months.

25 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>221,629</u>	<u>219,964</u>

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

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

26 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,670,000 A Ordinary of 10p each	167,000	167,000
2,500,000 B Ordinary of 10p each	250,000	250,000
1,332,000 C Ordinary of 1p each	13,320	13,320
2,500,000 D Ordinary of -.01p each	250	250
	<u>430,570</u>	<u>430,570</u>
Preference share capital		
Issued and fully paid		
Preference shares classified as equity	1,000	1,000
Preference shares classified as liabilities	(1,000)	(1,000)
	<u>-</u>	<u>-</u>
Total equity share capital	<u>431,570</u>	<u>431,570</u>

The holders of A and D Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

27 Operating lease commitments

Lessee

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Within one year	1,952,601	1,943,590	-	-
Between two and five years	6,767,780	6,916,749	-	-
In over five years	14,436,440	16,024,190	-	-
	<u>23,156,821</u>	<u>24,884,529</u>	<u>-</u>	<u>-</u>

JABLITE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Acquisition of tangible fixed assets	170,151	-	-	-

29 Cash generated from group operations

	2018 £	2017 £
Loss for the year after tax	(1,718,534)	(814,614)
Adjustments for:		
Taxation credited	(1,065,258)	(1,116,616)
Finance costs	167,064	41,923
Investment income	(673)	(2,371)
Gain on disposal of tangible fixed assets	-	(240,005)
Amortisation and impairment of intangible assets	54,594	54,094
Depreciation and impairment of tangible fixed assets	655,058	704,606
Movements in working capital:		
Decrease/(increase) in stocks	714,704	(509,638)
(Increase) in debtors	(367,093)	(2,529,701)
Increase in creditors	389,425	764,307
Cash absorbed by operations	(1,170,713)	(3,648,015)

30 Cash generated from operations - company

	2018 £	2017 £
Profit for the year after tax	147,646	153,302
Adjustments for:		
Finance costs	21,713	22,499
Movements in working capital:		
(Increase)/decrease in debtors	(251,503)	14,657
(Decrease) in creditors	(38,690)	(68,203)
Cash (absorbed by)/generated from operations	(120,834)	122,255