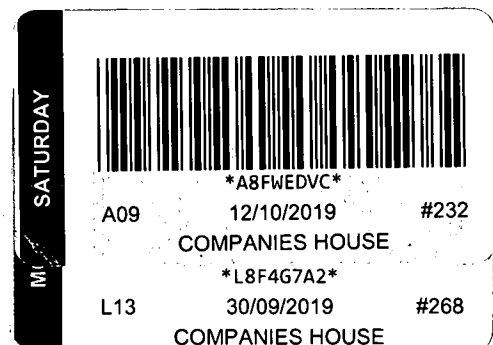


CONNECT PACKAGING LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



CONNECT PACKAGING LIMITED
REGISTERED NUMBER: 00582559

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	239,661	283,350
Current assets			
Stocks		274,087	309,705
Debtors: amounts falling due within one year	5	972,166	1,934,092
Cash at bank and in hand		210,762	66,181
		<u>1,457,015</u>	<u>2,309,978</u>
Creditors: amounts falling due within one year	6	(1,787,999)	(2,526,167)
Net current liabilities		<u>(330,984)</u>	<u>(216,189)</u>
Total assets less current liabilities		<u>(91,323)</u>	<u>67,161</u>
Provisions for liabilities			
Deferred tax		(20,680)	(25,752)
Net (liabilities)/assets		<u><u>(112,003)</u></u>	<u><u>41,409</u></u>
Capital and reserves			
Called up share capital		1,038,000	1,038,000
Share premium account		9,000	9,000
Profit and loss account		(1,159,003)	(1,005,591)
		<u><u>(112,003)</u></u>	<u><u>41,409</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2019.


A S Sahota
 Director

The notes on pages 2 to 6 form part of these financial statements.

CONNECT PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

The principal activity of the company during the year was that of the design, print and manufacture of corrugated cardboard packaging.

The company is a private company limited by shares (registered number 00582559) and is incorporated in the United Kingdom. The address of the registered office is CBS House, Brandon Way, West Bromwich, West Midlands, B79 8JF.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

At 31 December 2018 the company has net liabilities of £112,003. The directors have assessed the company's ability to continue as a going concern.

The company meets its day-to-day working capital requirements through group banking facilities and the support of its parent undertaking, Corrugated Box Supplies Limited. The directors are confident that current facilities will continue to be made available to the group and the parent undertaking has indicated continued support.

As of 1 January 2019, the company has transferred its sales and purchase operations to the parent undertaking and is now operating as a manufacturing base. The Directors are confident that this will lead to efficiencies in the cost base and will enable the company to return to profit.

As result of this assessment, no material uncertainties have been identified that cast doubt about the ability of the company to continue as a going concern.

Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 REVENUE

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, which is deemed to be at the point of despatch.

CONNECT PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	15% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

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

2.6 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 46 (2017 - 50).

CONNECT PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2018	2,818,536	4,413	488,629	3,311,578
Disposals	(499,365)	-	(344,533)	(843,898)
At 31 December 2018	<u>2,319,171</u>	<u>4,413</u>	<u>144,096</u>	<u>2,467,680</u>
DEPRECIATION				
At 1 January 2018	2,594,253	2,784	431,191	3,028,228
Charge for the year on owned assets	31,417	436	12,186	44,039
Disposals	(499,715)	-	(344,533)	(844,248)
At 31 December 2018	<u>2,125,955</u>	<u>3,220</u>	<u>98,844</u>	<u>2,228,019</u>
NET BOOK VALUE				
At 31 December 2018	<u>193,216</u>	<u>1,193</u>	<u>45,252</u>	<u>239,661</u>
At 31 December 2017	<u>224,283</u>	<u>1,629</u>	<u>57,438</u>	<u>283,350</u>

5. DEBTORS

	2018 £	2017 £
Trade debtors	805,127	1,254,432
Amounts owed by group undertakings	113,678	363,900
Amounts owed by companies under common control	11,503	241,170
Other debtors	2,260	29,611
Prepayments and accrued income	39,598	44,979
	<u>972,166</u>	<u>1,934,092</u>

The trade debtors are subject to a debt factoring agreement.

CONNECT PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Invoice discounting facility	611,530	760,406
Trade creditors	1,058,945	1,508,854
Other taxation and social security	96,615	149,025
Other creditors	-	76,223
Accruals and deferred income	20,909	31,659
	<u>1,787,999</u>	<u>2,526,167</u>

The following liabilities were secured:

	2018 £	2017 £
Invoice discounting facility	<u>611,530</u>	<u>760,406</u>

Details of security provided:

The factoring company holds a fixed and floating charge over all the property and undertakings of the company.

7. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
1,038,000 (2017 - 1,038,000) Ordinary shares shares of £1.00 each	<u>1,038,000</u>	<u>1,038,000</u>

8. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

No contributions were outstanding at the year end (2017 - £3,072).

CONNECT PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under Section 33 of Financial Reporting Standard 102 not to disclose transactions parent company.

The Directors control the following companies with which the company had the following transactions during the year:

Pack King Limited sales made for £Nil (2017: £5,561).

Swaran Properties Limited rent paid of £240,000 (2017: £240,000).

At the year end the company had a balance outstanding with Swaran Properties Limited for £11,503 (2017: £239,503) and Pack King Limited for £Nil (2017: £1,667).

10. POST BALANCE SHEET EVENTS

From 1 January 2019 the company's parent company Corrugated Box Supplies Limited took over certain of the trading activities of the company.

11. CONTROLLING PARTY

The Director's consider Corrugated Box Supplies Limited to be the ultimate parent company, a company registered in England and Wales. Copies of the company's accounts can be obtained from Companies House.

12. AUDITOR'S INFORMATION

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 18 September 2019 by Guy Morgan (Senior statutory auditor) on behalf of Crowe U.K. LLP.