

Company Registration No. 02179444 (England and Wales)

ADPAK MACHINERY SYSTEMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

ADPAK MACHINERY SYSTEMS LIMITED

CONTENTS

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 9

ADPAK MACHINERY SYSTEMS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		1,576,539		1,636,995
Current assets					
Stocks		1,162,897		1,382,509	
Debtors	5	1,670,135		1,706,770	
Cash at bank and in hand		2,430,647		1,093,999	
		<u>5,263,679</u>		<u>4,183,278</u>	
Creditors: amounts falling due within one year	6	<u>(2,913,147)</u>		<u>(2,627,283)</u>	
Net current assets			2,350,532		1,555,995
Total assets less current liabilities			<u>3,927,071</u>		<u>3,192,990</u>
Creditors: amounts falling due after more than one year	7		(499,048)		(534,084)
Provisions for liabilities			<u>(99,650)</u>		<u>(99,650)</u>
Net assets			<u>3,328,373</u>		<u>2,559,256</u>
Capital and reserves					
Called up share capital	8		50		50
Revaluation reserve			760,716		760,716
Capital redemption reserve			50		50
Profit and loss reserves			<u>2,567,557</u>		<u>1,798,440</u>
Total equity			<u>3,328,373</u>		<u>2,559,256</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 20 December 2021 and are signed on its behalf by:

J Farrow
Director

Company Registration No. 02179444

ADPAK MACHINERY SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 April 2019	50	760,716	50	1,440,137	2,200,953
Year ended 31 March 2020:					
Profit and total comprehensive income for the year	-	-	-	608,303	608,303
Dividends	-	-	-	(250,000)	(250,000)
Balance at 31 March 2020	50	760,716	50	1,798,440	2,559,256
Year ended 31 March 2021:					
Profit and total comprehensive income for the year	-	-	-	889,117	889,117
Dividends	-	-	-	(120,000)	(120,000)
Balance at 31 March 2021	50	760,716	50	2,567,557	3,328,373

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Adpak Machinery Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Pendleside, Lomeshaye Industrial Estate, Nelson, Lancashire, United Kingdom, BB9 6RY.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 Going concern

The ongoing Covid-19 pandemic has had a major impact on the global economy. The company however has experienced a strengthening financial position due to an increase in orders from its customer base, a trend that has continued post year end and the directors believe will continue for the foreseeable future.

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.

1.3 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.

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.

Revenue from service contracts are recognised over the period of the contract on a straight line basis.

1.4 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:

Freehold land and buildings	Nil
Plant and equipment	25% per annum on reducing balance
Motor vehicles	33% per annum on reducing balance

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

Freehold property is carried at fair value at the date of the revaluation plus additions at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. The surplus or deficit on book value is transferred to the revaluation reserve.

1.5 Impairment of fixed assets

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.

1.6 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.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 measured at transaction price including transaction costs.

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 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 company'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.

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 when the company has 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.

1.11 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.

1.12 Retirement benefits

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

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 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 leases asset are consumed.

1.14 Government grants

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

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

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

3 Employees

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

	2021 Number	2020 Number
Total	34	36
	==	==

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	1,288,756	663,151	490,430	2,442,337
Additions	-	10,059	93,859	103,918
Disposals	-	-	(91,082)	(91,082)
At 31 March 2021	1,288,756	673,210	493,207	2,455,173
Depreciation and impairment				
At 1 April 2020	-	582,683	222,659	805,342
Depreciation charged in the year	-	44,280	93,906	138,186
Eliminated in respect of disposals	-	-	(64,894)	(64,894)
At 31 March 2021	-	626,963	251,671	878,634
Carrying amount				
At 31 March 2021	1,288,756	46,247	241,536	1,576,539
At 31 March 2020	1,288,756	80,468	267,771	1,636,995

The company's property was revalued during 2018 at a value of £1,200,000 by Eckersley, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. In the director's opinion, the market value of this property has not materially changed since the date of valuation.

Freehold land and buildings are carried at valuation. If freehold land and buildings were measured using the cost model, the carrying amounts would have been approximately £441,981 (2020 - £450,748), being cost £503,350 (2020 - £503,350) and depreciation £61,369 (2020 - £52,602).

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,282,617	1,243,513
Deposits paid to suppliers	291,477	373,327
Other debtors	14,248	-
Prepayments and accrued income	81,793	89,930
	<u>1,670,135</u>	<u>1,706,770</u>

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	26,758	29,014
Trade creditors	785,434	955,636
Other taxation and social security	572,195	507,828
Other creditors	1,528,760	1,134,805
	<u>2,913,147</u>	<u>2,627,283</u>

The company's bank loan is secured by a legal mortgage on the company's freehold property and a fixed and floating charge on the assets of the company.

The bank loan is repayable over a term of twenty years commencing in 2018 and bears interest at 2.25% above bank base rate.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

7 Creditors: amounts falling due after more than one year

	2021	2020
Notes	£	£
Bank loans	420,211	435,343
Obligations under finance leases	78,837	98,741
	<u>499,048</u>	<u>534,084</u>

The company's bank loan is secured by a legal mortgage on the company's freehold property and a fixed and floating charge on the assets of the company.

The bank loan is repayable over a term of twenty years commencing in 2018 and bears interest at 2.25% above bank base rate.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	50	50	50	50
	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Lee Van Houplines and the auditor was Azets Audit Services.

10 Operating lease commitments

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

2021 £	2020 £
7,195	14,389
<u>7,195</u>	<u>14,389</u>

11 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2021 £	2020 £
Acquisition of tangible fixed assets	45,995	-
	<u>45,995</u>	<u>-</u>

12 Financial instruments

Derivatives

Forward currency contracts

At 31 March 2021, the company had entered into forward currency contracts. As at this date, the company had a commitment to purchase Euros to a total value of €2,250,000 at a pre-agreed exchange rate.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.