

A & B Containers Limited
Filleted Unaudited Financial Statements
30th June 2019



EDWARDS VEEDER (UK) LIMITED

Chartered accountants
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

A & B Containers Limited
Statement of Financial Position
30th June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	467,568	394,329
Investments	6	7,931	7,931
		<u>475,499</u>	<u>402,260</u>
Current assets			
Stocks		266,404	242,054
Debtors	7	1,657,446	1,581,610
Cash at bank and in hand		1,731,608	1,209,292
		<u>3,655,458</u>	<u>3,032,956</u>
Creditors: amounts falling due within one year	8	<u>978,556</u>	<u>941,761</u>
Net current assets		<u>2,676,902</u>	<u>2,091,195</u>
Total assets less current liabilities		<u>3,152,401</u>	<u>2,493,455</u>
Creditors: amounts falling due after more than one year	9	70,121	80,417
Provisions			
Taxation including deferred tax		75,183	56,141
Net assets		<u><u>3,007,097</u></u>	<u><u>2,356,897</u></u>

The statement of financial position
continues on the following page.

The notes on pages 3 to 10 form part of these financial statements.

A & B Containers Limited

Statement of Financial Position *(continued)*

30th June 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	10	92	92
Capital redemption reserve	11	10	10
Profit and loss account	11	3,006,995	2,356,795
Shareholders funds		<u>3,007,097</u>	<u>2,356,897</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 30th June 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

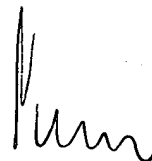
- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 5th November 2019, and are signed on behalf of the board by:

B. R. Williams
Director



P. R. Williams
Director



Company registration number: 02242483

A & B Containers Limited
Notes to the Financial Statements
Year ended 30th June 2019

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Ground floor, 4 Broadgate, Broadway Business Park, Chadderton, Oldham, OL9 9XA.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year from the sale of containers, pallets and drums, exclusive of Value Added Tax.

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Alterations to Landlords premises	- 20% straight line
Plant & machinery	- 15% reducing balance
Fixtures & fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

3. Accounting policies *(continued)*

Investments *(continued)*

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

4. Employee numbers

The average number of persons employed by the company during the year amounted to 46 (2018: 38).

5. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1st July 2018	143,324	259,831	19,158	422,460	844,773
Additions	16,399	9,003	3,730	202,220	231,352
Disposals	—	—	—	(77,463)	(77,463)
At 30th June 2019	159,723	268,834	22,888	547,217	998,662
Depreciation					
At 1st July 2018	79,854	124,266	13,940	232,384	450,444
Charge for the year	29,162	21,685	1,342	95,457	147,646
Disposals	—	—	—	(66,996)	(66,996)
At 30th June 2019	109,016	145,951	15,282	260,845	531,094
Carrying amount					
At 30th June 2019	50,707	122,883	7,606	286,372	467,568
At 30th June 2018	63,470	135,565	5,218	190,076	394,329

6. Investments

	Other investments other than loans £
Cost	
At 1st July 2018 and 30th June 2019	7,931
Impairment	
At 1st July 2018 and 30th June 2019	—
Carrying amount	
At 30th June 2019	7,931
At 30th June 2018	7,931

In the opinion of the directors, the market value of the investment freehold land does not materially differ from the net book value in the statement of financial position at 30th June 2019.

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

7. Debtors

	2019 £	2018 £
Trade debtors	1,552,741	1,464,454
Amounts owed by group undertakings and undertakings in which the company has a participating interest	13,538	13,538
Other debtors	91,167	103,618
	<u>1,657,446</u>	<u>1,581,610</u>

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	319,733	407,480
Corporation tax	184,469	118,970
Social security and other taxes	252,888	240,136
Other creditors	221,466	175,175
	<u>978,556</u>	<u>941,761</u>

Included in creditors due within one year are hire purchase contracts totalling £87,914 (2018: £58,773).

Hire purchase contracts are secured on the assets purchased on finance.

9. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>70,121</u>	<u>80,417</u>

The total creditors due after more than one year are hire purchase contracts which are secured on the assets purchased on finance.

10. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>92</u>	<u>92</u>	<u>92</u>	<u>92</u>

11. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	115,923	115,923
Later than 1 year and not later than 5 years	237,500	240,000
Later than 5 years	262,500	320,000
	<u>615,923</u>	<u>675,923</u>

13. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
P. R. Williams	<u>1,589</u>	<u>(34,000)</u>	<u>34,000</u>	<u>1,589</u>

	2018			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
P. R. Williams	<u>1,589</u>	<u>(26,928)</u>	<u>26,928</u>	<u>1,589</u>

A & B Containers Limited

Notes to the Financial Statements *(continued)*

Year ended 30th June 2019

14. Related party transactions

The company is controlled on a day to day basis by the directors, B. R. Williams and P. R. Williams. Last year they were also the majority shareholders but during the year some shares have been transferred to other family members. As such the two directors no longer have overall control.

During the year the company entered into the following transactions, on normal trading terms, with the following related companies.

	2019	2018
	£	£
Williams Pallet Services Pension Scheme		
Rent paid	19,000	19,000
Williams & Ralph		
Rent paid	36,923	36,923
A & B Containers Holdings Limited		
Rent paid	50,000	50,000

Mr. B.R. Williams is interested as a beneficiary and trustee in Williams Pallet Services Pension Scheme.

Mr. B.R. Williams is materially interested in Williams & Ralph as a partner.

Mr. B.R. Williams and Mr. P.R. Williams are materially interested in A & B Containers Holdings Limited as directors and shareholders.

During the year the directors were paid dividends of £54,000 (2018 £33,750).

The amounts (owed to)/due from related parties at the year end were as follows:

	2019	2018
	£	£
A & B Container Holdings Limited	13,538	13,538