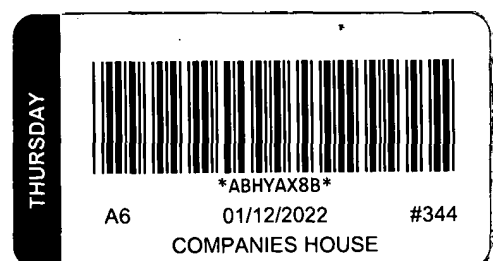


**A & B Containers Limited**  
**Financial Statements**  
**30th June 2022**



**EDWARDS VEEDER (UK) LIMITED**  
Chartered accountants & statutory auditor  
4 Broadgate  
Broadway Business Park  
Chadderton  
Oldham  
OL9 9XA

# **A & B Containers Limited**

## **Financial Statements**

**Year ended 30th June 2022**

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# **A & B Containers Limited**

## **Officers and Professional Advisers**

**The board of directors**

B. R. Williams  
P.R. Williams

**Company secretary**

T. Ralph

**Registered office**

Ground floor  
4 Broadgate  
Broadway Business Park  
Chadderton  
Oldham  
OL9 9XA

**Auditor**

Edwards Veeder (UK) Limited  
Chartered accountants & statutory auditor  
4 Broadgate  
Broadway Business Park  
Chadderton  
Oldham  
OL9 9XA

**Bankers**

National Westminster Bank PLC  
115 Deansgate  
Manchester  
M3 2BG

# A & B Containers Limited

## Strategic Report

Year ended 30th June 2022

The principal activity of the company during the year was that of sales of new and used IBC's, drums and pallets.

The company turnover for the twelve months has increased by 26.3% to £14,702,474 from the previous year, The gross profit percentage has increased from 41.3% to 45.2% and this has resulted in a increase of 38.2% in gross profit to £6,648,744. This results, after overheads and other operating income in the company producing a profit before tax of £3,468,534 compared to a profit before tax of £2,145,190 in the prior year.

The directors have fully considered the impact of Covid-19 pandemic and the global economic crisis as a result of the war in the Ukraine on the business. They are confident that the company can continue to discharge its liabilities as they fall due for the forthcoming twelve months.

### *Financial risk management objectives and policies*

a) Economic risk

The impact of Covid-19 pandemic and the global economic crisis as a result of the war in the Ukraine on the business.

b) Liquidity and cash flow risk

The objective of the company is to maintain a balance between continuity of funding and flexibility by maintaining a positive cashflow.

This report was approved by the board of directors on 15.11.2022 and signed on behalf of the board by:

T. Ralph  
Company Secretary



Registered office:  
Ground floor  
4 Broadgate  
Broadway Business Park  
Chadderton  
Oldham  
OL9 9XA

# **A & B Containers Limited**

## **Directors' Report**

**Year ended 30th June 2022**

The directors present their report and the financial statements of the company for the year ended 30th June 2022.

### **Directors**

The directors who served the company during the year were as follows:

B. R. Williams  
P.R. Williams

### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

### **Disclosure of information in the strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulation 2013 of the company chosen to include the strategic report information as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The directors have chosen to disclose information regarding the future developments and risks exposure of the company within their strategic report on page 1 of these financial statements.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## A & B Containers Limited

### Directors' Report *(continued)*

Year ended 30th June 2022

#### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 15.11.2022 and signed on behalf of the board by:

T. Ralph  
Company Secretary



Registered office:  
Ground floor  
4 Broadgate  
Broadway Business Park  
Chadderton  
Oldham  
OL9 9XA

**A & B Containers Limited****Independent Auditor's Report to the Members of A & B Containers Limited****Year ended 30th June 2022****Opinion**

We have audited the financial statements of A & B Containers Limited (the 'company') for the year ended 30th June 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 company's affairs as at 30th June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## A & B Containers Limited

### Independent Auditor's Report to the Members of A & B Containers Limited (continued)

**Year ended 30th June 2022**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 company or to cease operations, or have no realistic alternative but to do so.

## A & B Containers Limited

### Independent Auditor's Report to the Members of A & B Containers Limited (continued)

**Year ended 30th June 2022**

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud.
- Auditing the risk of management of override controls, including through testing journal entries and other adjustments for appropriateness.
- Challenging assumptions and judgments made by management in their significant accounting estimates, in particular in relation to provisions and future performance in light of the impact of COVID-19 and the Ukraine war.

Because of the field in which the client operates, we identified that employment law, health and safety legislation and compliance with the UK Companies Act are most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there's an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). For instance, the further removed non-compliances from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

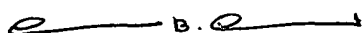
**A & B Containers Limited****Independent Auditor's Report to the Members of A & B Containers Limited**  
(continued)**Year ended 30th June 2022**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.



15.11.2022

E.B. Edwards (Senior Statutory Auditor)

For and on behalf of  
Edwards Veeder (UK) Limited  
Chartered accountants & statutory auditor  
4 Broadgate  
Broadway Business Park  
Chadderton  
Oldham  
OL9 9XA

**A & B Containers Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 30th June 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	<b>14,702,474</b>	11,640,677
Cost of sales		<u>8,053,730</u>	<u>6,830,936</u>
<b>Gross profit</b>		<b>6,648,744</b>	4,809,741
Administrative expenses		3,201,654	2,704,289
Other operating income		<u>20,144</u>	<u>41,730</u>
<b>Operating profit</b>	<b>5</b>	<b>3,467,234</b>	2,147,182
Other interest receivable and similar income	9	4,322	2,355
Interest payable and similar expenses	10	<u>3,022</u>	<u>4,347</u>
<b>Profit before taxation</b>		<b>3,468,534</b>	2,145,190
Tax on profit	11	<u>638,352</u>	<u>415,395</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>2,830,182</u></b>	<b><u>1,729,795</u></b>
Dividends paid and payable	12	(75,000)	(225,000)
<b>Retained earnings at the start of the year</b>		<b><u>4,952,974</u></b>	<b><u>3,448,179</u></b>
<b>Retained earnings at the end of the year</b>		<b><u>7,708,156</u></b>	<b><u>4,952,974</u></b>

All the activities of the company are from continuing operations.

**A & B Containers Limited**  
**Statement of Financial Position**  
**30th June 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	2,569,944	537,201
Investments	14	7,931	7,931
		<u>2,577,875</u>	<u>545,132</u>
<b>Current assets</b>			
Stocks	15	383,855	217,422
Debtors	16	3,462,055	3,118,831
Cash at bank and in hand		2,872,271	2,921,322
		<u>6,718,181</u>	<u>6,257,575</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>1,407,637</u>	<u>1,750,614</u>
<b>Net current assets</b>		<u>5,310,544</u>	<u>4,506,961</u>
<b>Total assets less current liabilities</b>		<u>7,888,419</u>	<u>5,052,093</u>
<b>Creditors: amounts falling due after more than one year</b>	18	54,250	–
<b>Provisions</b>			
Taxation including deferred tax	20	125,911	99,017
<b>Net assets</b>		<u>7,708,258</u>	<u>4,953,076</u>

The statement of financial position  
continues on the following page.

The notes on pages 13 to 24 form part of these financial statements.

# A & B Containers Limited

## Statement of Financial Position *(continued)*

30th June 2022

	Note	2022 £	2021 £
<b>Capital and reserves</b>			
Called up share capital	24	75	75
Capital redemption reserve	25	27	27
Profit and loss account	25	7,708,156	4,952,974
<b>Shareholders funds</b>		<u>7,708,258</u>	<u>4,953,076</u>

These financial statements were approved by the board of directors and authorised for issue on 15.11.2022, 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

## Statement of Cash Flows

Year ended 30th June 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,830,182	1,729,795
<i>Adjustments for:</i>		
Depreciation of tangible assets	195,150	153,191
Government grant income	–	(27,961)
Other interest receivable and similar income	(4,322)	(2,355)
Interest payable and similar expenses	3,022	4,347
(Gains)/loss on disposal of tangible assets	(8,339)	12,979
Tax on profit	638,352	415,395
Accrued expenses	110,017	221,620
<i>Changes in:</i>		
Stocks	(166,433)	73,295
Trade and other debtors	(343,224)	(748,802)
Trade and other creditors	(396,552)	62,082
Cash generated from operations	2,857,853	1,893,586
Interest paid	(3,022)	(4,347)
Interest received	4,322	2,355
Tax paid	(688,734)	(243,761)
Net cash from operating activities	<u>2,170,419</u>	<u>1,647,833</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(2,231,159)	(222,913)
Proceeds from sale of tangible assets	11,605	2,750
Net cash used in investing activities	<u>(2,219,554)</u>	<u>(220,163)</u>
<b>Cash flows from financing activities</b>		
Payments and proceeds from borrowing	–	(420,619)
Government grant income	–	27,961
Payments and receipts of finance lease liabilities	75,084	(50,786)
Dividends paid	(75,000)	(225,000)
Net cash from/(used in) financing activities	<u>84</u>	<u>(668,444)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(49,051)</b>	<b>759,226</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,921,322</b>	<b>2,162,096</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>2,872,271</u></b>	<b><u>2,921,322</u></b>

**A & B Containers Limited**  
**Notes to the Financial Statements**  
**Year ended 30th June 2022**

**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 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 2022

### 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 2022

### 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.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

**A & B Containers Limited****Notes to the Financial Statements** *(continued)***Year ended 30th June 2022****3. Accounting policies** *(continued)***Government grants** *(continued)*

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a 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.

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.

# A & B Containers Limited

## Notes to the Financial Statements *(continued)*

Year ended 30th June 2022

### 3. Accounting policies *(continued)*

#### 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.

### 4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	<u>14,702,474</u>	<u>11,640,677</u>

# A & B Containers Limited

## Notes to the Financial Statements *(continued)*

Year ended 30th June 2022

### 4. Turnover *(continued)*

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022	2021
	£	£
United Kingdom	14,398,830	11,452,449
Overseas	303,644	188,228
	<u>14,702,474</u>	<u>11,640,677</u>

### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	195,150	153,191
(Gains)/loss on disposal of tangible assets	(8,339)	12,979
Impairment of trade debtors	<u>2,285</u>	<u>–</u>

### 6. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>15,000</u>	<u>2,000</u>

### 7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Production staff	29	27
Distribution staff	13	12
Administrative staff	6	5
Management staff	<u>2</u>	<u>2</u>
	<u>50</u>	<u>46</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	1,692,235	1,355,847
Social security costs	172,518	127,973
Other pension costs	<u>29,039</u>	<u>22,833</u>
	<u>1,893,792</u>	<u>1,506,653</u>

# A & B Containers Limited

## Notes to the Financial Statements *(continued)*

Year ended 30th June 2022

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	<u>145,883</u>	<u>91,503</u>

### 9. Other interest receivable and similar income

	2022	2021
	£	£
Interest on cash and cash equivalents	<u>4,322</u>	<u>2,355</u>

### 10. Interest payable and similar expenses

	2022	2021
	£	£
Interest on obligations under finance leases and hire purchase contracts	<u>3,022</u>	<u>4,347</u>

### 11. Tax on profit

#### Major components of tax expense

	2022	2021
	£	£
<b>Current tax:</b>		
UK current tax expense	611,458	393,564
Adjustments in respect of prior periods	—	(13)
Total current tax	<u>611,458</u>	<u>393,551</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>26,894</u>	<u>21,844</u>
<b>Tax on profit</b>	<u>638,352</u>	<u>415,395</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
Profit on ordinary activities before taxation	<u>3,468,534</u>	<u>2,145,190</u>
Profit on ordinary activities by rate of tax	659,021	407,586
Adjustment to tax charge in respect of prior periods	—	(13)
Effect of capital allowances and depreciation	(48,322)	(14,413)
Movements in deferred taxation	26,894	21,844
Disallowed expenses	759	391
<b>Tax on profit</b>	<u>638,352</u>	<u>415,395</u>

# A & B Containers Limited

## Notes to the Financial Statements (continued)

Year ended 30th June 2022

### 12. Dividends

	2022 £	2021 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>75,000</u>	<u>225,000</u>

### 13. Tangible assets

	Freehold property £	Alterations to Landlords premises £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 Jul 2021	–	204,313	389,052	5,688	701,087	<b>1,300,140</b>
Additions	1,884,704	–	120,033	–	226,422	<b>2,231,159</b>
Disposals	–	–	–	–	(25,542)	<b>(25,542)</b>
<b>At 30 Jun 2022</b>	<u>1,884,704</u>	<u>204,313</u>	<u>509,085</u>	<u>5,688</u>	<u>901,967</u>	<u><b>3,505,757</b></u>
<b>Depreciation</b>						
At 1 Jul 2021	–	165,212	181,347	1,850	414,530	<b>762,939</b>
Charge for the year	–	17,985	49,161	576	127,428	<b>195,150</b>
Disposals	–	–	–	–	(22,276)	<b>(22,276)</b>
<b>At 30 Jun 2022</b>	<u>–</u>	<u>183,197</u>	<u>230,508</u>	<u>2,426</u>	<u>519,682</u>	<u><b>935,813</b></u>
<b>Carrying amount</b>						
<b>At 30 Jun 2022</b>	<u>1,884,704</u>	<u>21,116</u>	<u>278,577</u>	<u>3,262</u>	<u>382,285</u>	<u><b>2,569,944</b></u>
At 30 Jun 2021	<u>–</u>	<u>39,101</u>	<u>207,705</u>	<u>3,838</u>	<u>286,557</u>	<u><b>537,201</b></u>

In the opinion of the directors, the market value of the Freehold property does not materially differ from the net book value in the statement of financial position at 30th June 2022.

### 14. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1st July 2021 and 30th June 2022	<u>7,931</u>
<b>Impairment</b>	
At 1st July 2021 and 30th June 2022	<u>–</u>
<b>Carrying amount</b>	
At 30th June 2022	<u>7,931</u>
At 30th June 2021	<u>7,931</u>

# A & B Containers Limited

## Notes to the Financial Statements *(continued)*

Year ended 30th June 2022

### 14. Investments *(continued)*

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 2022.

### 15. Stocks

	2022	2021
	£	£
Goods for resale	<u>383,855</u>	<u>217,422</u>

### 16. Debtors

	2022	2021
	£	£
Trade debtors	2,886,087	2,557,582
Amounts owed by related party	470,308	470,308
Prepayments and accrued income	105,660	77,160
Directors loan account	–	1,589
Other debtors	–	12,192
	<u>3,462,055</u>	<u>3,118,831</u>

### 17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	491,210	547,570
Accruals and deferred income	474,260	364,243
Corporation tax	316,288	393,564
Social security and other taxes	82,602	424,771
Obligations under finance leases and hire purchase contracts	37,833	16,999
Other creditors	5,444	3,467
	<u>1,407,637</u>	<u>1,750,614</u>

Included in creditors due within one year are hire purchase contracts totalling £16,999(2021: £50,786).

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

### 18. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Obligations under finance leases and hire purchase contracts	<u>54,250</u>	<u>–</u>

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

# A & B Containers Limited

## Notes to the Financial Statements *(continued)*

Year ended 30th June 2022

### 19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022	2021
	£	£
Not later than 1 year	40,399	18,097
Later than 1 year and not later than 5 years	57,981	–
Later than 5 years	(6,297)	(1,098)
	<u>92,083</u>	<u>16,999</u>

### 20. Provisions

	Deferred tax (note 21) £
At 1st July 2021	99,017
Additions	26,894
At 30th June 2022	<u>125,911</u>

### 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022	2021
	£	£
Included in provisions (note 20)	<u>125,911</u>	<u>99,017</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022	2021
	£	£
Accelerated capital allowances	<u>125,911</u>	<u>99,017</u>

### 22. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £29,039 (2021: £22,833).

### 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in other operating income:		
Government grants released to profit or loss	<u>–</u>	<u>27,961</u>

# A & B Containers Limited

## Notes to the Financial Statements *(continued)*

Year ended 30th June 2022

### 24. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>75</u>	<u>75</u>	<u>75</u>	<u>75</u>

### 25. 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.

### 26. Analysis of changes in net debt

	At 1 Jul 2021	Cash flows	At 30 Jun 2022
	£	£	£
Cash at bank and in hand	2,921,322	(49,051)	<b>2,872,271</b>
Debt due within one year	(16,999)	(20,834)	<b>(37,833)</b>
Debt due after one year	—	(54,250)	<b>(54,250)</b>
	<u>2,904,323</u>	<u>(124,135)</u>	<u><b>2,780,188</b></u>

### 27. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	<b>135,000</b>	125,000
Later than 1 year and not later than 5 years	<b>408,334</b>	416,667
Later than 5 years	<b>112,500</b>	162,500
	<u><b>655,834</b></u>	<u>704,167</u>

# A & B Containers Limited

## Notes to the Financial Statements (continued)

Year ended 30th June 2022

### 28. Directors' advances, credits and guarantees

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

	2022			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
B. R. Williams	–	(32,326)	32,326	–
P.R. Williams	1,589	(1,589)	–	–
	<u>1,589</u>	<u>(33,915)</u>	<u>32,326</u>	<u>–</u>
	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
B. R. Williams	–	–	–	–
P.R. Williams	1,589	(400,000)	400,000	1,589
	<u>1,589</u>	<u>(400,000)</u>	<u>400,000</u>	<u>1,589</u>

### 29. Related party transactions

The company is controlled on a day to day basis by the directors, B. R. Williams and P. R. Williams. In the year ended 30th June 2021 P.R.Williams sold his shareholding to the company. With their shareholdings the two directors do not have overall control.

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

	2022	2021
	£	£
Williams Pallet Services Pension Scheme		
Rent paid	74,780	61,840
A & B Containers Holdings Limited		
Rent paid	50,000	50,000
Williams & Ralph		
Rent paid	10,000	–

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

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 £42,000 (2021 £30,000).

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

	2022	2021
	£	£
A & B Container Holdings Limited	470,308	470,308

### 30. Controlling party

The ultimate controlling party is B.R.Williams.