

**REGISTERED NUMBER: 03563351 (England and Wales)**

**FMS FOILS GROUP LIMITED**  
**Group Strategic Report,**  
**Report of the Directors and**  
**Consolidated Financial Statements**  
**For The Year Ended 28th February 2019**

**Contents of the Consolidated Financial Statements  
For The Year Ended 28th February 2019**

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**FMS FOILS GROUP LIMITED**  
**Company Information**  
**For The Year Ended 28th February 2019**

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**DIRECTORS:** D J Watson  
P S Watson

**SECRETARY:** M A Barnish

**REGISTERED OFFICE:** 1 The Forum  
Coopers Way  
Temple Farm Industrial Estate  
Southend on Sea  
Essex  
SS2 5TE

**REGISTERED NUMBER:** 03563351 (England and Wales)

**AUDITORS:** Wilkins Kennedy Audit Services  
Statutory Auditor  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

**Group Strategic Report  
For The Year Ended 28th February 2019**

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The directors present their strategic report of the company and the group for the year ended 28th February 2019.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The uncertainty over the final arrangements for Brexit presents the business with a significant challenge. Based on current information we have taken appropriate arrangements to safeguard our material supplies to ensure that we can maintain supplies to all our customers. The fall in sterling presents us with export opportunities in both Europe and the USA. However until trading arrangements are clarified with these markets, our potential to exploit these markets will be delayed.

The environmental debate with regard to the use of plastics in packaging offers us significant opportunities. Our main raw material, aluminium, is infinitely recyclable and we have a growing market in paper based products. We are currently developing new products and ink systems that overcome these environmental concerns.

We have also taken the availability of low cost finance to invest in state of the art production equipment to broaden our production capabilities. A new multi-colour gravure printer will be located in a new facility, along with additional warehousing, affording our customers greater security of supply.

**KEY CUSTOMERS**

The Group has a wide range of both multi-national and smaller customers. The Group continues to expand its customer base both for existing products and introducing new innovative solutions to meet our customers' needs. Brexit will encourage more UK customers to source locally and our investment is aimed at meeting their requirements.

**HEALTH AND SAFETY**

The Directors consider Health and safety and the wellbeing of its employees as a key parameter within the business. The company has fully implemented an enhanced pension scheme and sick pay benefits for all its employees.

**KEY PERFORMANCE INDICATORS**

The Directors continue to focus on measuring and improving both production performance and key financial data.

During 2019 the company invested in its management infrastructure to both improve the efficiency of the business and to take advantage of the recent capital investments made by the business.

	28/2/19 (£ 000)	28/2/18 (£ 000)
Turnover	11,148	11,185
Operating Profit	326	396
Net Assets	1,372	1,342

The Directors foresee 2019/20 as a year of consolidation with solid growth in 2020/21 following the investments being made in the current year.

**ON BEHALF OF THE BOARD:**

P S Watson - Director

26th November 2019

**Report of the Directors  
For The Year Ended 28th February 2019**

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The directors present their report with the financial statements of the company and the group for the year ended 28th February 2019.

**DIVIDENDS**

The total distribution of dividends for the year ended 28th February 2019 will be £ 156,830 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st March 2018 to the date of this report.

D J Watson  
P S Watson

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Wilkins Kennedy Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P S Watson - Director

26th November 2019

## **Report of the Independent Auditors to the Members of FMS Foils Group Limited**

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### **Opinion**

We have audited the financial statements of FMS Foils Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28th February 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 28th February 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Members of FMS Foils Group Limited**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Paul East (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy Audit Services  
Statutory Auditor  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

26th November 2019

**Consolidated Income Statement  
For The Year Ended 28th February 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>		<b>11,147,933</b>	11,184,610
Cost of sales		<u>9,659,298</u>	<u>9,890,928</u>
<b>GROSS PROFIT</b>		<b>1,488,635</b>	1,293,682
Administrative expenses		<u>1,162,890</u>	<u>897,416</u>
<b>OPERATING PROFIT</b>	4	<b>325,745</b>	396,266
Interest payable and similar expenses	6	<u>81,616</u>	<u>50,179</u>
<b>PROFIT BEFORE TAXATION</b>		<b>244,129</b>	346,087
Tax on profit	7	<u>57,070</u>	<u>77,083</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>187,059</b>	269,004
Profit attributable to: Owners of the parent		<u>187,059</u>	<u>269,004</u>

The notes form part of these financial statements



**Consolidated Other Comprehensive Income  
For The Year Ended 28th February 2019**

	Notes	<b>2019</b> <b>£</b>	2018 £
<b>PROFIT FOR THE YEAR</b>		<b>187,059</b>	269,004
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>187,059</b></u>	<u>269,004</u>
Total comprehensive income attributable to: Owners of the parent		<u><b>187,059</b></u>	<u>269,004</u>

The notes form part of these financial statements

**Consolidated Balance Sheet**  
**28th February 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		172,894		207,472
Tangible assets	11		1,078,602		1,163,862
Investments	12		-		-
			<u>1,251,496</u>		<u>1,371,334</u>
<b>CURRENT ASSETS</b>					
Stocks	13	1,700,471		2,104,726	
Debtors	14	3,069,243		3,470,525	
Cash at bank		<u>23,026</u>		<u>86,860</u>	
		4,792,740		5,662,111	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>4,506,213</u>		<u>5,517,373</u>	
<b>NET CURRENT ASSETS</b>			<u>286,527</u>		<u>144,738</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,538,023		1,516,072
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>166,132</u>		<u>174,410</u>
<b>NET ASSETS</b>			<u>1,371,891</u>		<u>1,341,662</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		50,000		50,000
Retained earnings	18		<u>1,321,891</u>		<u>1,291,662</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,371,891</u>		<u>1,341,662</u>

The financial statements were approved by the Board of Directors on 26th November 2019 and were signed on its behalf by:

P S Watson - Director

**Company Balance Sheet**  
**28th February 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		-		-
Tangible assets	11		74,783		9,119
Investments	12		<u>3,174,031</u>		<u>3,174,031</u>
			<b>3,248,814</b>		<b>3,183,150</b>
<b>CURRENT ASSETS</b>					
Stocks	13	<b>1,700,471</b>		-	
Debtors	14	<b>2,869,705</b>		158,484	
Cash at bank		<u><b>4,912</b></u>		<u>3,459</u>	
		<b>4,575,088</b>		<b>161,943</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u><b>7,439,044</b></u>		<u>3,289,683</u>	
<b>NET CURRENT LIABILITIES</b>			<u><b>(2,863,956)</b></u>		<u><b>(3,127,740)</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>384,858</b>		<b>55,410</b>
<b>PROVISIONS FOR LIABILITIES</b>	16		<u><b>12,470</b></u>		<u>333</u>
<b>NET ASSETS</b>			<u><b>372,388</b></u>		<u><b>55,077</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		<b>50,000</b>		<b>50,000</b>
Retained earnings	18		<u><b>322,388</b></u>		<u><b>5,077</b></u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>372,388</b></u>		<u><b>55,077</b></u>
Company's profit for the financial year			<u><b>474,141</b></u>		<u><b>206,574</b></u>

The financial statements were approved by the Board of Directors on 31st October 2019 and were signed on its behalf by:

P S Watson - Director

**Consolidated Statement of Changes in Equity  
For The Year Ended 28th February 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1st March 2017</b>	50,000	1,226,598	1,276,598
<b>Changes in equity</b>			
Dividends	-	(203,940)	(203,940)
Total comprehensive income	-	269,004	269,004
<b>Balance at 28th February 2018</b>	<u>50,000</u>	<u>1,291,662</u>	<u>1,341,662</u>
<b>Changes in equity</b>			
Dividends	-	(156,830)	(156,830)
Total comprehensive income	-	187,059	187,059
<b>Balance at 28th February 2019</b>	<u>50,000</u>	<u>1,321,891</u>	<u>1,371,891</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity  
For The Year Ended 28th February 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1st March 2017</b>	50,000	2,443	52,443
<b>Changes in equity</b>			
Dividends	-	(203,940)	(203,940)
Total comprehensive income	-	206,574	206,574
<b>Balance at 28th February 2018</b>	<u>50,000</u>	<u>5,077</u>	<u>55,077</u>
<b>Changes in equity</b>			
Dividends	-	(156,830)	(156,830)
Total comprehensive income	-	474,141	474,141
<b>Balance at 28th February 2019</b>	<u>50,000</u>	<u>322,388</u>	<u>372,388</u>

The notes form part of these financial statements

**Consolidated Cash Flow Statement**  
**For The Year Ended 28th February 2019**

		<b>2019</b>	2018
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>126,842</b>	497,781
Interest paid		<b>(81,616)</b>	(50,179)
Tax paid		<b>(26,365)</b>	(62,385)
Net cash from operating activities		<b><u>18,861</u></b>	<u>385,217</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b><u>(77,859)</u></b>	<u>(57,890)</u>
Net cash from investing activities		<b><u>(77,859)</u></b>	<u>(57,890)</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		<b>151,994</b>	(8,000)
Amount withdrawn by directors		-	(57,834)
Equity dividends paid		<b><u>(156,830)</u></b>	<u>(203,940)</u>
Net cash from financing activities		<b><u>(4,836)</u></b>	<u>(269,774)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b><u>(63,834)</u></b>	<u>57,553</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>86,860</b>	29,307
<b>Cash and cash equivalents at end of year</b>	2	<b><u><u>23,026</u></u></b>	<u><u>86,860</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement  
For The Year Ended 28th February 2019**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<b>244,129</b>	346,087
Depreciation charges	<b>197,697</b>	200,432
Finance costs	<b>81,616</b>	50,179
	<b>523,442</b>	596,698
Decrease/(increase) in stocks	<b>404,255</b>	(797,667)
Decrease/(increase) in trade and other debtors	<b>249,288</b>	(1,120,349)
(Decrease)/increase in trade and other creditors	<b>(1,050,143)</b>	1,819,099
<b>Cash generated from operations</b>	<b><u>126,842</u></b>	<b><u>497,781</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 28th February 2019**

	<b>28/2/19</b>	<b>1/3/18</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>23,026</u></b>	<b><u>86,860</u></b>

**Year ended 28th February 2018**

	<b>28/2/18</b>	<b>1/3/17</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>86,860</u></b>	<b><u>29,307</u></b>

Notes to the Consolidated Financial Statements  
For The Year Ended 28th February 2019

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1. **STATUTORY INFORMATION**

FMS Foils Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In the opinion of the directors, it remains appropriate to continue to adopt the going concern basis of accounting.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company, its subsidiary and associate undertakings.

Details of the subsidiary undertakings are set out in note 12.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements as stated in note 7.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of businesses is being amortised evenly over its useful economic life of 10 years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- Depreciated over the period of the lease
Plant and machinery	- 20% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 20% on reducing balance and 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

At each reporting date, fixed assets are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment is recognised immediately in profit or loss.



**Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28th February 2019**

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

**3. EMPLOYEES AND DIRECTORS**

	<b>2019</b>	2018
	£	£
Wages and salaries	<b>1,901,290</b>	1,590,391
Other pension costs	<b>25,660</b>	10,806
	<u><b>1,926,950</b></u>	<u>1,601,197</u>

The average number of employees during the year was as follows:

	<b>2019</b>	2018
Total staff	<u><b>56</b></u>	<u>51</u>

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 28th February 2019**

**3. EMPLOYEES AND DIRECTORS - continued**

The average number of employees by undertakings that were proportionately consolidated during the year was 56 (2018 - 51) .

	2019	2018
	£	£
Directors' remuneration	<u>141,821</u>	<u>26,303</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2019	2018
	£	£
Hire of plant and machinery	14,950	12,126
Depreciation - owned assets	163,119	165,854
Goodwill amortisation	34,578	34,578
Auditors' remuneration	<u>14,645</u>	<u>11,900</u>

**5. EXCEPTIONAL ITEMS**

	2019	2018
	£	£
Exceptional items	<u>(5,923)</u>	<u>(6,600)</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Other interest	<u>81,616</u>	<u>50,179</u>

**7. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	65,348	88,687
Deferred tax	<u>(8,278)</u>	<u>(11,604)</u>
Tax on profit	<u>57,070</u>	<u>77,083</u>

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 28th February 2019**

**7. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2019</b>	2018
	<b>£</b>	£
Profit before tax	<u><b>244,129</b></u>	<u>346,087</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.085%)	<b>46,385</b>	66,051
Effects of:		
Expenses not deductible for tax purposes	-	76
Depreciation in excess of capital allowances	<b>12,394</b>	15,961
Amortisation	<b>6,570</b>	6,599
Deferred tax	<b>(8,278)</b>	(11,604)
Other movements	<b>(1)</b>	-
Total tax charge	<u><b>57,070</b></u>	<u>77,083</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

**9. DIVIDENDS**

	<b>2019</b>	2018
	<b>£</b>	£
Final	<u><b>156,830</b></u>	<u>203,940</u>

**10. INTANGIBLE FIXED ASSETS****Group**

	<b>Goodwill</b>
	<b>£</b>
<b>COST</b>	
At 1st March 2018	
and 28th February 2019	<u><b>345,784</b></u>
<b>AMORTISATION</b>	
At 1st March 2018	<b>138,312</b>
Amortisation for year	<u><b>34,578</b></u>
At 28th February 2019	<u><b>172,890</b></u>
<b>NET BOOK VALUE</b>	
At 28th February 2019	<u><b>172,894</b></u>
At 28th February 2018	<u><b>207,472</b></u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28th February 2019

## 11. TANGIBLE FIXED ASSETS

**Group**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1st March 2018	250,088	4,081,103	404,463
Additions	-	75,891	-
At 28th February 2019	<u>250,088</u>	<u>4,156,994</u>	<u>404,463</u>
<b>DEPRECIATION</b>			
At 1st March 2018	170,392	3,127,418	281,763
Charge for year	20,202	120,029	18,481
At 28th February 2019	<u>190,594</u>	<u>3,247,447</u>	<u>300,244</u>
<b>NET BOOK VALUE</b>			
At 28th February 2019	<u>59,494</u>	<u>909,547</u>	<u>104,219</u>
At 28th February 2018	<u>79,696</u>	<u>953,685</u>	<u>122,700</u>

  

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1st March 2018	7,750	81,895	4,825,299
Additions	-	1,968	77,859
At 28th February 2019	<u>7,750</u>	<u>83,863</u>	<u>4,903,158</u>
<b>DEPRECIATION</b>			
At 1st March 2018	7,750	74,114	3,661,437
Charge for year	-	4,407	163,119
At 28th February 2019	<u>7,750</u>	<u>78,521</u>	<u>3,824,556</u>
<b>NET BOOK VALUE</b>			
At 28th February 2019	<u>-</u>	<u>5,342</u>	<u>1,078,602</u>
At 28th February 2018	<u>-</u>	<u>7,781</u>	<u>1,163,862</u>

Notes to the Consolidated Financial Statements - continued  
For The Year Ended 28th February 2019

11. **TANGIBLE FIXED ASSETS - continued**

<b>Company</b>	<b>Short leasehold £</b>	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1st March 2018	16,703	93,882	1,827	112,412
Additions	-	75,891	1,968	77,859
At 28th February 2019	<u>16,703</u>	<u>169,773</u>	<u>3,795</u>	<u>190,271</u>
<b>DEPRECIATION</b>				
At 1st March 2018	12,949	88,517	1,827	103,293
Charge for year	1,126	10,704	365	12,195
At 28th February 2019	<u>14,075</u>	<u>99,221</u>	<u>2,192</u>	<u>115,488</u>
<b>NET BOOK VALUE</b>				
At 28th February 2019	<u>2,628</u>	<u>70,552</u>	<u>1,603</u>	<u>74,783</u>
At 28th February 2018	<u>3,754</u>	<u>5,365</u>	<u>-</u>	<u>9,119</u>

12. **FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1st March 2018 and 28th February 2019	<u>3,174,031</u>
<b>NET BOOK VALUE</b>	
At 28th February 2019	<u>3,174,031</u>
At 28th February 2018	<u>3,174,031</u>

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 28th February 2019**

**12. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Friths Flexible Packaging Limited**

Registered office:

Nature of business: Manufacturer of flexible packaging

	% holding	<b>2019</b>	2018
Class of shares:		<b>£</b>	£
Ordinary	100.00	<b>2,747,687</b>	2,894,637
Aggregate capital and reserves		<b>(146,950)</b>	43,275
(Loss)/profit for the year			

**S.F. Williams (Foils) Limited**

Registered office:

Nature of business: Manufacturer of foilboards

	% holding	<b>2019</b>	2018
Class of shares:		<b>£</b>	£
Ordinary	100.00	<b>1,701,494</b>	1,832,862
Aggregate capital and reserves		<b>(131,368)</b>	22,662
(Loss)/profit for the year			

**Macleans (Foils) Limited**

Registered office:

Nature of business: Manufacturer of foilboards

	% holding	<b>2019</b>	2018
Class of shares:		<b>£</b>	£
Ordinary	100.00	<b>(448,542)</b>	(443,959)
Aggregate capital and reserves		<b>(4,583)</b>	31,070
(Loss)/profit for the year			

**13. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£</b>	£	<b>£</b>	£
Stocks	<u><b>1,700,471</b></u>	<u>2,104,726</u>	<u><b>1,700,471</b></u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 28th February 2019**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,348,701	2,622,251	2,328,012	-
Other debtors	702,983	681,790	527,203	-
Directors' current accounts	14,490	166,484	14,490	158,484
VAT	3,069	-	-	-
	<u>3,069,243</u>	<u>3,470,525</u>	<u>2,869,705</u>	<u>158,484</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	1,842,135	2,786,541	1,831,786	2,000
Amounts owed to group undertakings	-	-	5,092,258	3,238,585
Tax	65,348	26,365	65,348	-
Social security and other taxes	309,188	201,269	268,575	49,098
Other creditors	2,289,542	2,503,198	181,077	-
	<u>4,506,213</u>	<u>5,517,373</u>	<u>7,439,044</u>	<u>3,289,683</u>

**16. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax	<u>166,132</u>	<u>174,410</u>	<u>12,470</u>	<u>333</u>
<b>Group</b>				
				<b>Deferred tax</b>
				<b>£</b>
Balance at 1st March 2018				174,410
Credit to Income Statement during year				(8,278)
Balance at 28th February 2019				<u>166,132</u>
<b>Company</b>				
				<b>Deferred tax</b>
				<b>£</b>
Balance at 1st March 2018				333
Charge to Statement of Comprehensive Income during year				12,137
Accelerated capital allowances				
Balance at 28th February 2019				<u>12,470</u>

**Notes to the Consolidated Financial Statements - continued**  
**For The Year Ended 28th February 2019**

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	<b>2019</b> £	2018 £
Number:	Class:			
50,000	Ordinary	£1	<u><b>50,000</b></u>	<u>50,000</u>

**18. RESERVES**

<b>Group</b>		<b>Retained earnings £</b>
At 1st March 2018		1,291,662
Profit for the year		187,059
Dividends		<u>(156,830)</u>
At 28th February 2019		<u><b>1,321,891</b></u>
<b>Company</b>		<b>Retained earnings £</b>
At 1st March 2018		5,077
Profit for the year		474,141
Dividends		<u>(156,830)</u>
At 28th February 2019		<u><b>322,388</b></u>

**19. RELATED PARTY DISCLOSURES**

The company is under the control of a director, Mr D.J Watson.

At the balance sheet date the amount due from the Director, Mr D Watson, was £14,490 (2018 - £156,830).

At the balance sheet date the amount due to the Director, Mr P Watson, was £21,000 (2018 - £8,000 due from the Director).



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