Sharp Interpack Limited

Registered Number 4330088

Strategic Report, Directors' Report and Financial Statements

For the year ended 31 December 2020

Contents

Company Information

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S Guillin
P Gautier

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F Guillin

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Strategic Report

The Directors present their Strategic Report, Directors' Report and Financial Statements of Sharp Interpack Limited for the year ended 31 December 2020.

The Strategic Report outlines business strategy and a review of the Company's financial performance during the financial year and its position at the year-end. As the Company is a holding company, the principle risks and uncertainties are those faced by the Company's subsidiaries.

Review of the business

The directors and senior management are satisfied with the Company's financial position, with shareholders' funds totalling £51,343,000 (2019: £43,452,000). The Company is a holding company. It holds investments in a number of trading subsidiaries.

Business Strategy

The Company's strategy is to maintain its investment in its subsidiaries who aim to maintain a sustainable, profitable business. The subsidiaries will achieve this by securing further long term contracts with both existing and new customers both within the subsidiaries' existing market and through expansion into new markets.

Principal Risks and Uncertainties

As the Company is a holding company, set out below are the principle risks and uncertainties faced by its subsidiaries.

- *Competitive*

The Company's subsidiaries have a number of multi-year contracts in place with key customers. Renewal of these contracts is uncertain and based on financial and performance criteria.

- *Price*

The Company's subsidiaries are exposed to fluctuations in commodity prices, particularly for plastic resins. They manage this risk through maintaining a broad range of suppliers and the regular review of marketplace commodity prices and existing supply relationships and agreements.

- *Credit*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The Company's subsidiaries' policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

- *Currency*

The Company's subsidiaries trade in a number of geographic markets and are exposed to both Euro and Sterling currency risk. All foreign exchange risk is managed by the group treasury function in France.

Strategic Report (continued)

- *Brexit*

The United Kingdom left the European Union on 31st January 2020 and was subsequently in a transitional period. The UK effectively remained in the EU Custom Union and Single Market and continued to obey EU rules for the duration of 2020. The Company continually reviews the likely impact of all possible scenarios, such as future performance, foreign exchange volatility, personnel, tax and administrative burdens. As the UK Government followed a soft Brexit with no customs duties, the impact on the business is minimised. Subsequent to the balance sheet date the transitional period ended and the Company continues to take steps to ensure processes and procedures comply with requirements.

- *Coronavirus*

The ongoing impact of the Coronavirus pandemic is a focus for the Company, all necessary steps have been taken to comply with Government guidance and minimize the risks to all stakeholders. The Company operates within a key industry, Food Production, and has continued to operate without interruption through the duration of the Coronavirus pandemic.

By order of the board
S Guillin
Director
May, 28, 2021

1st Floor
156 Cromwell Road
Kensington
London
SW7 4EF

Directors' Report

The directors present their Directors' Report and the Financial Statements of Sharp Interpack Limited for the year ended 31 December 2020.

Results and Dividends

The profit for the year, after taxation, is £7,891,000 (*2019: £5,610,000*). The directors do not recommend the payment of a dividend.

Principal Activities

Sharp Interpack Limited is a UK holding company and its principal activity is that of an investment holding company.

The principal activities of its subsidiary undertakings continue to be the design, manufacture and sale of rigid thermoformed plastic packaging for both food and non-food use in the UK, Ireland and Europe.

Review of the Business

Sharp Interpack Limited was acquired on 9 April 2010 by Groupe Guillin. On 1 January 2011, its trade and assets were transferred to its four new subsidiaries: Sharpak Aylesham Limited, Sharpak Bridgwater Limited, Sharpak Yate Limited and Guillin Nederland (previously known as Sharpak Nederland).

This was based on the need for improved financial performance at each site and to adopt the culture of Groupe Guillin, whereby the organisational structure encourages teams to be independent and have clearly defined goals.

Commencing in 2012, royalty fees were charged by the Company to all of its subsidiaries for the use of the Sharpak logo in addition to the recharges for patents and other trademarks.

On 23 May 2019, Sharp Interpack Limited bought Flight Plastics.

Going Concern

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

The Company's business activities, together with a review of its financial position and its exposure to principal risks and uncertainties are described here and in the strategic report. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, the directors continue to adopt the going concern basis in preparing the Financial statements.

The Company has net current asset of £7,374,000 (2019: Net current: liability: £528,000) and a net asset position of £51,343,000 (2019: £43,452,000). The directors consider that the Company's current financial position should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual Financial Statements of the Company.

As the Company is a holding company, the directors have considered the going concern basis of the Company's affiliates.

As part of this, the directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Directors' Report (continued)

The forecasts are dependent on the Company's ultimate parent company, Groupe Guillin not seeking repayment specifically of £7.1m due to Groupe Guillin and held on the balance sheet of Sharpak Bridgwater Limited. Groupe Guilin has indicated that it does not intend to seek repayment of this for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Research and development

£nil *(2019: £nil)* was spent on research and development during the year.

Political and charitable donations

The Company made charitable and political donations of £nil during the year *(2019: £nil)*.

Directors of the Company

S Guillin
B Guillin
P Gautier

Disclosure of Information to the auditor

The directors who held office at the date of approval of this Directors' Report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

S Guillin
Director
May, 28, 2021

1st Floor
156 Cromwell Road
Kensington
London
SW7 4EF

Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 of 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHARP INTERPACK LIMITED

Opinion

We have audited the financial statements of Sharp Interpack Limited ("the company") for the year ended 31 December 2020, which comprise the Profit and Loss Account and Other Comprehensive income, the Balance Sheet, and the Statement of Changes in Equity and related notes, including the Accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of Sharp Interpack Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of Sharp Interpack Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

Harry Mears (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

66 Queen Square

Bristol

BS1 4BE

United Kingdom

10 June 2021

Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2020

	Note	**Year ended 31 December 2020**	Year ended 31 December 2019
	Note	**£000**	£000
Turnover	*2*	**2,391**	2,512
Cost of sales		**2**	(2)
Gross profit		**2,393**	2,510
Administrative costs		**(32)**	(30)
Payroll costs	*4*	**(249)**	(220)
Operating profit	*3*	**2,112**	2,260
Interest payable	*5*	**(15)**	(29)
Interest receivable	*6*	**28**	3
Dividend income	*7*	**6,168**	3,796
Profit before tax		**8,295**	6,035
Tax on profit	*8*	**(404)**	(425)
Profit for the financial year and total comprehensive income		**7,891**	5,610

There are no other gains or losses other than those disclosed above and as such the company has not produced a separate statement of other comprehensive income.

All results arose from continuing operations.

The accompanying notes form part of these financial statements.

Balance Sheet
As at 31 December 2020

	Note	**2020**	2019
		£000	£000
Fixed assets			
Investments	*9*	**53,969**	43,980
Current assets			
Debtors (including £10m (2019: £nil) due after more than one year)	*10*	**17,505**	691
Cash at bank and in hand	*11*	**8,030**	238
		25,535	929
Creditors : amounts falling due within one year	*12*	**(18,161)**	(1,457)
Net current liabilities		7,374	(528)
Total assets less current liabilities		**61,343**	43,452
Creditors : amounts falling due after more than one year	*13*	**(10,000)**	-
Net assets		51,343	43,452
Capital and reserves			
Called up share capital	*15*	**7,200**	7,200
Share premium account		**17,000**	17,000
Capital contribution reserve		**1,013**	1,013
Profit and loss account		**26,130**	18,239
Equity shareholders' funds		**51,343**	43,452

The accompanying notes form part of these financial statements.

These Financial Statements were approved by the board of directors on May, 28, 2021 and were signed on its behalf by:

S Guillin
Director
Sharp Interpack
Registered Number 4330088

Statement of changes in equity
at 31 December 2020

	Note	Called up Share capital £000	Share premium	Capital contribution	Profit and loss account £000	Total equity £000
Balance at 1 January 2019		7,200	17,000	1,013	12,629	37,842
Total comprehensive income for the year						
Profit		-	-	-	5,610	5,610
Balance at 31 December 2019		7,200	17,000	1,013	18,239	43,452
Balance at 1 January 2020		7,200	17,000	1,013	18,239	43,452
Total comprehensive income the year						
Profit		-	-	-	7,891	7,891
Balance at 31 December 2020		7,200	17,000	1,013	26,130	51,343

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

Sharp Interpack Limited (the "Company") is a company limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 4330088 and the registered address is 1st Floor 156 Cromwell Road, London, England, SW7 4EF.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group Financial Statements. These Financial Statements present information about the Company as an individual undertaking and not about its group.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Groupe Guillin includes the Company in its consolidated Financial Statements. The consolidated Financial Statements of Groupe Guillin are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Groupe Guillin, 25290, Ornans, France. In these Financial Statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

Measurement convention

The Financial Statements are prepared on the historical cost basis.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 4.

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

As the Company is a holding company, the directors have considered the going concern basis of the Company's subsidiaries and specifically, the Directors considered the following in arriving at their conclusion; the subsidiaries are cash generative and none of the subsidiaries, or this Company, are reliant on external funding.

As part of this, the directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Notes (continued)

1. Accounting policies *(continued)*

Going Concern (continued)

The forecasts are dependent on the Company's ultimate parent company, Groupe Guillin not seeking repayment specifically of £19m due to Groupe Guillin and held on the balance sheet of Sharpak Bridgwater Limited. Groupe Guilin has indicated that it does not intend to seek repayment of this for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Provision

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Revenue Recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies *(continued)*

Taxation *(continued)*

Deferred taxation

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

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

Foreign Currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes (continued)

1 Accounting policies *(continued)*

Basic financial instruments *(continued)*

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Investments in subsidiaries, jointly controlled entities and associates

These are the separate Financial Statements of the Company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

The Company's principal area of activity is that of an investment holding company. Sharp Interpack Limited's turnover is made up of commissions paid by its subsidiaries to use the logo in the United Kingdom and from intellectual property fees to use UK and Community trade marks and designs.

The analysis by geographical market of the Company's turnover is set out below:

By geographic market	**2020 £000**	2019 £000
United Kingdom	**2,153**	2,307
Other Europe	**238**	205
	2,391	2,512

3. Operating profit

Operating profit is stated after charging/(crediting):

	2020 £000	2019 £000
Auditor's remuneration- audit of these Financial Statements	**6**	6
Foreign exchange gains	**(4)**	(5)

Notes (continued)

4. Staff costs and numbers

There are four (*2019*: Three), three administrative employees, three of which are the directors during the year. Two of the Directors are remunerated by the ultimate parent company, Groupe Guillin. In addition, a divisional director was recruited on November 30, 2020.

	2020	2019
	£000	£000
Wages and salaries	**212**	186
Social Security Costs	**28**	25
Other Pension Costs	**9**	9
	249	220

	2020	2019
	£000	£000
Aggregate remuneration in respect of qualifying services	**191**	186
Aggregate receivables under long term incentive plans	-	-

5. Interest payable

	2020	2019
	£000	£000
Group interest payable and similar charges	**15**	29

Interest payable relates to loan amounts owed to group undertakings which bear interest at market rates (note 14).

6. Interest receivable

	2020	2019
	£000	£000
Group interest receivable and similar income	**27**	-
Others interest receivable	**1**	3
	28	3

Interest receivable relates to loan amounts owed from group undertakings which bear interest at market rates.

Notes (continued)

7. Dividend income

	2020 £000	2019 £000
From Guillin Nederland	**208**	315
From Sharpak Aylesham Limited	**3,869**	3,144
From Sharpak Yate Limited	**2,091**	337
	6,168	3,796

8. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

Analysis of charge in year

	2020 £000	2019 £000
UK current tax		
Current tax on income for the year	**404**	425
Prior year tax adjustment	**-**	-
Total current tax charge	**404**	425
Deferred tax		
Origination/reversal of timing differences	**-**	-
Total tax	**404**	425

Reconciliation of effective tax rate
The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	**8,295**	6,035
Current tax at 19% (2019: 19%)	**1,576**	1,147
Effects of :		
Receipts not taxable (dividends)	(1,172)	(722)
Current tax charge for the year (see above)	**404**	**425**

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

Notes (continued)

9. Investments

	Shares in group undertakings £000
Cost and Net book value	
At the beginning of year	43,980
Provided in period	(11)
Additions	10,000
At end of year	**53,969**

The Company has the following investments in subsidiaries;

	Aggregate of capital and reserves £000	Profit or loss for the year £000	Country of incorporation	Class of shares held	Ownership 2019 %	Ownership 2020 %
Sharpak Aylesham	13,888	5,041	UK	Ordinary	100	100
Sharpak Bridgwater	11,790	(1,559)	UK	Ordinary	100	100
Sharpak Yate	6,905	5,667	UK	Ordinary	100	100
Guillin Nederland in €	2,619	207	NL	Ordinary	100	100
Flight Plastics	2,683	720	UK	Ordinary	100	100

10. Debtors

	2020 £000	2019 £000
Due within one year	**7,505**	691
Due after more than one year	**10,000**	-
Amounts owed by Group undertakings	**17,505**	691

Amounts owed by Group undertakings due within one year are repayable on demand.
Amounts owed by Group undertakings due within after more than one year are interest bearing at a rate of 3 month LIBOR plus 1.2% and are due to be repaid in 2027.

Notes (continued)

11. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	**8,030**	238

12. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	**13**	19
Amounts owed to group undertakings	**17,762**	942
Corporation tax	**202**	310
Payroll costs	**56**	44
Other taxes and social security costs	**128**	141
	18,161	1,456

Amounts owed to Group undertakings are trading balance repayable on demand.

13. Creditors: amounts falling due after one year

	2020	2019
	£000	£000
Loans owed to group undertakings (note 14)	**10,000**	-

Loans owed to Group undertakings are interest bearing deemed to be at a market rate.

14. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest bearing loans and borrowing, which are measured at amortised cost.

	2020	2019
	£000	£000
Creditors falling due more than one year		
Loans owed to group undertakings	**10,000**	-

Notes (continued)

Terms and debt repayment schedule:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020 £000	2019 £000
Loans owed to group undertakings	GBP	3-month LIBOR +1.2%	2027	In full on 30 November 2027	**10,000**	-

15. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
7,100,002 (2019 : 7,100,002) ordinary shares of £1 each	**7,100**	7,100
10,000,000 (2019 : 10,000,000) 10 % non-convertible non-cumulative non-redeemable preference shares of £0.01 each	**100**	100
	7,200	7,200

The preference shares carry a discretionary dividend of £0.10 per share per annum.

The preference shares carry no voting rights, unless the dividend thereon is in arrears or there is consideration of a resolution varying, modifying, altering or abrogating any of the rights, privileges, limitations or restrictions attached to the preference shares, in which case the preference shares shall carry the same right to vote as the ordinary shares in respect of the matter in question.On a winding up of the Company, the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, any arrear or accrual of the £0.10 dividend.

16. Related party transactions

As the Company is a wholly owned subsidiary of Groupe Guillin, the company has taken advantage of the exemption contained in FRS 102.33 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

17. Ultimate parent company

The ultimate parent undertaking is Groupe Guillin, who are incorporated in France.

The largest and smallest group in which the results of the Company are consolidated is that headed by Groupe Guillin. No other group Financial Statements include the results of the Company. The consolidated Financial Statements of Groupe Guillin are available to the public and may be obtained from Groupe Guillin, 25290, Ornans, France.

Notes (continued)

18. Accounting estimates and judgements

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

Each year, the Directors consider whether there are any impairments to the carrying value of investments. They make an assessment by considering the value of the future cash flows for the five years to come for each subsidiaries.

Impairment of debtors

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of the debtors.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.