

Company registration number: 05545000

**Custom Labels Limited
Filleled Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2020**

CUSTOM LABELS LIMITED

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CUSTOM LABELS LIMITED

(Registration number: 05545000)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>5</u>	440,462	265,117
Current assets			
Stocks	<u>6</u>	41,683	37,962
Debtors	<u>7</u>	98,033	125,365
Cash at bank and in hand		<u>179,620</u>	<u>22,886</u>
		319,336	186,213
Creditors: Amounts falling due within one year	<u>8</u>	<u>(198,031)</u>	<u>(159,366)</u>
Net current assets		<u>121,305</u>	<u>26,847</u>
Total assets less current liabilities		561,767	291,964
Creditors: Amounts falling due after more than one year	<u>8</u>	(207,120)	(4,167)
Provisions for liabilities			
Deferred tax liabilities		<u>(77,396)</u>	<u>(44,012)</u>
Net assets		<u>277,251</u>	<u>243,785</u>
Capital and reserves			
Called up share capital		200	200
Profit and loss account		<u>277,051</u>	<u>243,585</u>
Total equity		<u>277,251</u>	<u>243,785</u>

CUSTOM LABELS LIMITED

(Registration number: 05545000)

Balance Sheet as at 31 August 2020

For the financial year ending 31 August 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

Approved and authorised by the director on 13 January 2021 .

N J Foster
Director

CUSTOM LABELS LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit G1
Woodlands Court Business Park
Bristol Road
Bridgwater
Somerset
TA6 4FJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling (£).

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of labels and associated products in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss in the same period as the related expenditure.

CUSTOM LABELS LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation of tangible assets

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	6.67% straight line
Furniture, fittings and equipment	33.3% straight line/ 15% reducing balance
Plant and machinery	15% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

CUSTOM LABELS LIMITED

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities are initially measured out at fair value, net of transaction costs and subsequently at amortised cost using the effective interest method.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Assets held under hire purchase agreements are capitalised as tangible fixed assets with the future obligation being recognised as a liability. Finance costs are recognised in the Profit and Loss Account calculated at a constant periodic rate of interest over the term of the liability.

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period profits and losses.

Leases

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

3 Staff numbers

The average number of persons employed by the company (including the director) during the year was 14 (2019 - 14).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 September 2019	150,000	150,000
At 31 August 2020	150,000	150,000
Amortisation		
At 1 September 2019	150,000	150,000
At 31 August 2020	150,000	150,000
Carrying amount		
At 31 August 2020	-	-

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2019	29,262	86,729	358,405	474,396
Additions	-	8,235	226,713	234,948
At 31 August 2020	29,262	94,964	585,118	709,344
Depreciation				
At 1 September 2019	6,802	43,458	159,019	209,279
Charge for the year	1,951	16,441	41,211	59,603
At 31 August 2020	8,753	59,899	200,230	268,882
Carrying amount				
At 31 August 2020	20,509	35,065	384,888	440,462
At 31 August 2019	22,460	43,271	199,386	265,117

Included within the net book value of land and buildings above is £20,509 (2019 - £22,460) in respect of short leasehold land and buildings.

Included within the net book value of plant and machinery is £210,608 (2019 - £14,167) in respect of hire purchase contracts.

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

6 Stocks

	2020 £	2019 £
Finished goods and goods for resale	41,683	37,962

7 Debtors

	2020 £	2019 £
Trade debtors	82,403	119,403
Corporation tax	7,843	-
Other debtors	7,787	5,962
Total current trade and other debtors	98,033	125,365

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	9	48,488	10,000
Trade creditors		100,176	85,715
Taxation and social security		35,853	26,129
Corporation tax		-	13,785
Other creditors		13,514	23,737
		198,031	159,366
Due after one year			
Loans and borrowings	9	207,120	4,167

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Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

9 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	2,178	-
Hire purchase contracts	46,310	10,000
	<u>48,488</u>	<u>10,000</u>
	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	42,822	-
Hire purchase contracts	164,298	4,167
	<u>207,120</u>	<u>4,167</u>

Other borrowings

Hire purchase agreements are secured over the company's assets to which they relate.

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