

CUSTOM LABELS LIMITED
Unaudited Financial Statements
For the financial year ended 31 August 2022
Pages for filing with the registrar

CUSTOM LABELS LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 August 2022

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CUSTOM LABELS LIMITED
COMPANY INFORMATION
For the financial year ended 31 August 2022

DIRECTORS

N J Foster

K L Foster

SECRETARY

K L Foster

REGISTERED OFFICE

Unit G1 Woodlands Court Business Park

Bristol Road

Bridgwater

TA6 4FJ

United Kingdom

COMPANY NUMBER

05545000 (England and Wales)

CHARTERED ACCOUNTANTS

Albert Goodman LLP

Goodwood House

Blackbrook Park Avenue

Taunton

Somerset

TA1 2PX

CUSTOM LABELS LIMITED
BALANCE SHEET
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	474,671	385,503
		474,671	385,503
Current assets			
Stocks	5	52,471	47,471
Debtors	6	127,309	117,550
Cash at bank and in hand		90,000	115,607
		269,780	280,628
Creditors: amounts falling due within one year	7	(200,979)	(204,590)
Net current assets		68,801	76,038
Total assets less current liabilities		543,472	461,541
Creditors: amounts falling due after more than one year	8	(38,731)	(82,178)
Provision for liabilities		(89,464)	(72,446)
Net assets		415,277	306,917
Capital and reserves			
Called-up share capital		200	200
Profit and loss account		415,077	306,717
Total shareholders' funds		415,277	306,917

For the financial year ending 31 August 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Custom Labels Limited (registered number: 05545000) were approved and authorised for issue by the Board of Directors on 05 January 2023. They were signed on its behalf by:

N J Foster
Director

CUSTOM LABELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 August 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Custom Labels Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Unit G1 Woodlands Court Business Park, Bristol Road, Bridgwater, TA6 4FJ, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of labels and associated products in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. 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.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply when the timing differences reverse. Deferred tax assets and liabilities are not discounted.

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.

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Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill	5 years straight line
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Goodwill

Goodwill arises on business combinations and represents any excess of consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is initially recognised as an intangible asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	15 years straight line
Plant and machinery	15 % reducing balance
Fixtures and fittings	15 % reducing balance
Computer equipment	3 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

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NOTES TO THE FINANCIAL STATEMENTS
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Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost. 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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in other operating income over the period in which the related costs are recognised, and timing differences are presented as other debtors or deferred income within the balance sheet. Grants relating to assets are recognised 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.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Ordinary share capital

The ordinary share capital of the Company is presented as equity.

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Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	16	15

3. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 01 September 2021	150,000	150,000
At 31 August 2022	150,000	150,000
Accumulated amortisation		
At 01 September 2021	150,000	150,000
At 31 August 2022	150,000	150,000
Net book value		
At 31 August 2022	0	0
At 31 August 2021	0	0

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4. Tangible assets

	Leasehold improve- ments	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 01 September 2021	29,262	602,471	33,472	60,244	725,449
Additions	0	160,854	0	3,708	164,562
Disposals	0	(10,700)	(8,335)	(5,908)	(24,943)
At 31 August 2022	29,262	752,625	25,137	58,044	865,068
Accumulated depreciation					
At 01 September 2021	10,704	258,763	18,870	51,609	339,946
Charge for the financial year	1,951	59,750	2,193	7,284	71,178
Disposals	0	(9,496)	(5,406)	(5,825)	(20,727)
At 31 August 2022	12,655	309,017	15,657	53,068	390,397
Net book value					
At 31 August 2022	16,607	443,608	9,480	4,976	474,671
At 31 August 2021	18,558	343,708	14,602	8,635	385,503

5. Stocks

	2022	2021
	£	£
Stocks	52,471	47,471

6. Debtors

	2022	2021
	£	£
Trade debtors	119,133	109,939
Other debtors	8,176	7,611
	127,309	117,550

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7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	105,270	84,456
Corporation tax	11,954	29,625
Other taxation and social security	36,030	45,473
Obligations under finance leases and hire purchase contracts (secured)	43,976	41,537
Other creditors	3,749	3,499
	200,979	204,590

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

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

	2022	2021
	£	£
Obligations under finance leases and hire purchase contracts (secured)	38,731	82,178

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

9. Financial commitments

Commitments

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

	2022	2021
	£	£
- within one year	46,100	46,100
- between one and five years	184,400	184,400
- after five years	80,675	126,775
	311,175	357,275

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10. Related party transactions

Transactions with the entity's directors

The joint Directors' loan account is repayable on demand and interest is charged on overdrawn balances exceeding £10,000 each at the official HMRC rates.

At 1 September 2021, the balance owed by the directors was £2,026. During the year, £37 was advanced to the directors, and £1,232 was repaid by the directors. At 31 August 2022, the balance owed by the directors was £831.

At 1 September 2021, the loan account balance was in credit. During the year, £2,699 was advanced to the directors, and £673 was repaid by the directors. At 31 August 2021, the balance owed by the directors was £2,026.

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.