

Registration number: SC102575

A.C.A. Print Finishing & Packaging Solutions Ltd

Annual Report and Financial Statements

for the Year Ended 31 August 2020



COMPANIES HOUSE

28 MAY 2021

EDINBURGH MAILBOX

Morris & Young, Statutory Auditor
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

A.C.A. Print Finishing & Packaging Solutions Ltd

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A.C.A. Print Finishing & Packaging Solutions Ltd

Company Information

Director	Dara Changizi
Registered office	Unit 14 Cartside Avenue Inchinnan Business Park INCHINNAN PA4 9RP
Auditors	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

A.C.A. Print Finishing & Packaging Solutions Ltd

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless 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 director is required to:

- select suitable accounting policies and 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 director is 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 to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A.C.A. Print Finishing & Packaging Solutions Ltd

(Registration number: SC102575)


Statement of Financial Position as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	120,222	80,833
Investments	7	<u>2</u>	<u>2</u>
		<u>120,224</u>	<u>80,835</u>
Current assets			
Stocks	8	22,096	40,665
Debtors	9	1,109,743	1,538,028
Cash at bank and in hand		<u>67,076</u>	<u>9,545</u>
		1,198,915	1,588,238
Creditors: Amounts falling due within one year	10	<u>(1,373,078)</u>	<u>(1,593,087)</u>
Net current liabilities		<u>(174,163)</u>	<u>(4,849)</u>
Total assets less current liabilities		(53,939)	75,986
Creditors: Amounts falling due after more than one year	10	(99,657)	(57,388)
Provisions for liabilities		<u>(6,845)</u>	<u>(8,598)</u>
Net (liabilities)/assets		<u><u>(160,441)</u></u>	<u><u>10,000</u></u>
Capital and reserves			
Called up share capital	12	9,999	9,999
Capital redemption reserve		1	1
Profit and loss account		<u>(170,441)</u>	<u>-</u>
Total equity		<u><u>(160,441)</u></u>	<u><u>10,000</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 14 May 2021


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Dara Changizi
Director

The notes on pages 5 to 15 form an integral part of these financial statements.

A.C.A. Print Finishing & Packaging Solutions Ltd

Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 September 2019	9,999	1	-	10,000
Loss for the year	-	-	(170,441)	(170,441)
Total comprehensive income	-	-	(170,441)	(170,441)
At 31 August 2020	<u>9,999</u>	<u>1</u>	<u>(170,441)</u>	<u>(160,441)</u>

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 September 2018	9,999	1	743,342	753,342
Profit for the year	-	-	145,321	145,321
Total comprehensive income	-	-	145,321	145,321
Dividends	-	-	(888,663)	(888,663)
At 31 August 2019	<u>9,999</u>	<u>1</u>	<u>-</u>	<u>10,000</u>

The notes on pages 5 to 15 form an integral part of these financial statements.

A.C.A. Print Finishing & Packaging Solutions Ltd

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

1 General information

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

The address of its registered office is:

Unit 14

Cartside Avenue

Inchinnan Business Park

INCHINNAN

PA4 9RP

These financial statements were authorised for issue by the director on 14 May 2021.

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.

The financial statements are presented in Sterling (£). The financial statements are rounded to the nearest £1.

A.C.A. Print Finishing & Packaging Solutions Ltd

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

Going concern

As at the year end, the group had long term loan facilities from their bankers, which had covenants associated with them. These covenants were breached in the year ended 31 August 2020 due to reduced trading capacity from Covid-19. However, since the year end, the covenant breaches have been waived by their bankers, and the relevant bank facilities repaid in full. This was achieved by the introduction of external funds by the director. Therefore this has ceased to be a going concern threat.

The Covid-19 pandemic has had a material adverse impact on trading performance of some entities within the group, and as such the director has availed himself of various government-backed grant and loan schemes, in addition to introducing personal funds to the group. This has allowed the group to continue trading, but there will be an uncertain outlook for the sector and the company until normality returns, and clarity achieved on ongoing government support and the trading environment.

The company assets include inter company debtor balances, and these have been settled in the period since the year end, and so have been fully recovered.

In light of the evidence available to them, whilst trading remains challenging and assets are exceeded by liabilities at the Balance Sheet date, the group debt profile has changed for the better, certain liabilities may be settled by other group entities, and with the ongoing government support schemes available, the directors are of the view that the going concern assumption is appropriate for the foreseeable future. His assessment is also based upon the financial forecasts available.

Audit report

The Independent Auditor's Report was unqualified. However the report did include a material uncertainty related to going concern:

We draw attention to Note 2 in the financial statements, which indicates that as at 31 August 2020 the company's assets are exceeded by its liabilities. This, along with other matters explained in Note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in this respect.

The name of the Senior Statutory Auditor who signed the audit report on 28 May 2021 was Alexander J Fyfe M.A.A.T., C.A., DChA, who signed for and on behalf of Morris & Young, Statutory Auditor.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services 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 towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

A.C.A. Print Finishing & Packaging Solutions Ltd

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other property, plant and equipment	25% on reducing balance and 10% on cost
Motor vehicles	25% on 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.

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

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	5 year and 3 year straight line

Investments

Investments in subsidiaries are accounted for at cost less accumulated impairment losses.

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.

Trade 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.

Trade 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.

A.C.A. Print Finishing & Packaging Solutions Ltd

Notes to the 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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

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 Statement of Financial Position 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

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

A.C.A. Print Finishing & Packaging Solutions Ltd

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

Financial instruments

The company only has financial assets and liabilities of a kind that would qualify as basic financial instruments which are recognised at their transaction value and subsequently measured at their settlement value.

3 Government grants

As a result of the Covid-19 pandemic, the company received government grant funding by way of the Coronavirus Job Retention Scheme and Scottish Enterprise during the year ended 31 August 2020. The amount of grants recognised in the financial statements was £486,087 (2019: £nil).

4 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 72 (2019 - 76).

A.C.A. Print Finishing & Packaging Solutions Ltd

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

5 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 September 2019	<u>232,613</u>	<u>232,613</u>
At 31 August 2020	<u>232,613</u>	<u>232,613</u>
Amortisation		
At 1 September 2019	<u>232,613</u>	<u>232,613</u>
At 31 August 2020	<u>232,613</u>	<u>232,613</u>
Carrying amount		
At 31 August 2020	<u>-</u>	<u>-</u>

6 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 September 2019	3,542	112,426	115,968
Additions	<u>3,300</u>	<u>67,000</u>	<u>70,300</u>
At 31 August 2020	<u>6,842</u>	<u>179,426</u>	<u>186,268</u>
Depreciation			
At 1 September 2019	64	35,071	35,135
Charge for the year	<u>549</u>	<u>30,362</u>	<u>30,911</u>
At 31 August 2020	<u>613</u>	<u>65,433</u>	<u>66,046</u>
Carrying amount			
At 31 August 2020	<u>6,229</u>	<u>113,993</u>	<u>120,222</u>
At 31 August 2019	<u>3,478</u>	<u>77,355</u>	<u>80,833</u>

A.C.A. Print Finishing & Packaging Solutions Ltd

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

7 Investments

	2020 £	2019 £
Investments in subsidiaries	<u>2</u>	<u>2</u>
Subsidiaries		£
Cost or valuation		
Investment in subsidiaries cost or fair value bfwd		<u>2</u>
Provision		
Carrying amount		
At 31 August 2020		<u>2</u>
At 31 August 2019		<u>2</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
ACA Print Finishers & Laser Dies Limited	Unit 14 Cartside Avenue Inchinnan Business Park Inchinnan PA4 9RP Scotland	Ordinary shares of £1	100%	100%

ACA Print Finishers & Laser Dies Limited is a dormant company.

The profit for the financial period of ACA Print Finishers & Laser dies was £Nil. The aggregate amount of capital and reserves at the end of the period was £Nil.

A.C.A. Print Finishing & Packaging Solutions Ltd

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

8 Stocks

	2020 £	2019 £
Raw materials and consumables	<u>22,096</u>	<u>40,665</u>

At the year end, the company held consignment stock amounting to approximately £124,000 (2019: £123,929). This stock is not reflected in the accounts as the risks and rewards of ownership had not transferred to A.C.A. Print Finishing & Packaging Solutions Ltd at the balance sheet date.

9 Debtors

	Note	2020 £	2019 £
Trade debtors		803,519	1,113,072
Amounts owed by group undertakings and undertakings in which the company has a participating interest	14	100,631	209,573
Other debtors		<u>205,593</u>	<u>215,383</u>
		<u>1,109,743</u>	<u>1,538,028</u>

10 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	11	353,013	761,144
Trade creditors		201,171	371,096
Taxation and social security		607,636	213,707
Accruals and deferred income		211,258	178,390
Other creditors		<u>-</u>	<u>68,750</u>
		<u>1,373,078</u>	<u>1,593,087</u>

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	11	<u>99,657</u>	<u>57,388</u>

A.C.A. Print Finishing & Packaging Solutions Ltd

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

11 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Finance lease liabilities	<u>99,657</u>	<u>57,388</u>

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	323,314	738,828
Finance lease liabilities	<u>29,699</u>	<u>22,316</u>
	<u>353,013</u>	<u>761,144</u>

Finance lease liabilities are secured over the asset to which they relate.

The Invoice Discounting Agreement is secured by a floating charge (ACA Print Finishing & Packaging Solutions Ltd) and a multi-party guarantee unlimited and executed by ACA Group Limited, ACA Holdings Limited and ACA Assets Ltd.

12 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>9,999</u>	<u>9,999</u>	<u>9,999</u>	<u>9,999</u>

13 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £Nil (2019 - £8,331). The financial commitment related to the operating lease of equipment.

The total amount of contingencies not included in the balance sheet is £64,771 (2019 - £Nil). At 31 August 2020 the company had a disputed balance with a supplier. Indications are that this may lead to court proceedings, in which case the potential liability would be £64,771. The director of the company is confident in his case that the amount is not in fact due.

A.C.A. Print Finishing & Packaging Solutions Ltd

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

14 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	<u>12,912</u>	<u>22,290</u>

Summary of transactions with other related parties

The Limited Company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with the other members of the Group.

15 Parent and ultimate parent undertaking

The company's immediate parent is ACA Holdings Limited, incorporated in Scotland.

The ultimate controlling party is Raphaelson Holdings Limited, incorporated in Scotland.

The most senior parent entity producing publicly available financial statements is ACA Group Limited. These financial statements are available upon request from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.