

# **POLLARD BOXES LIMITED**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**POLLARD BOXES LIMITED**

**COMPANY INFORMATION**

**Directors**

C M Pollard (resigned 1 March 2021)  
M W Pollard  
J A Jarvis (resigned 1 March 2021)  
P C Conner  
M R Stacey (resigned 31 July 2020)  
V S Badyal (appointed 31 July 2020)  
S M Rice (appointed 1 March 2021)  
L Meana (appointed 1 March 2021)  
R Marini (appointed 1 March 2021)

**Registered number**

00158917

**Registered office**

Feldspar Close  
Enderby  
Leicester  
LE19 4SD

**Independent auditor**

Cooper Parry Group Limited  
Chartered Accountants & Statutory Auditor  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

**POLLARD BOXES LIMITED**

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## **POLLARD BOXES LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **Introduction**

The directors present their strategic report for the year ended 31 December 2020.

#### **Company overview**

Our strategy is to continue to build on our market leading position in presentation packaging. We specialise in the design and production of innovative packaging for the luxury drinks, beauty and personal care, gift, multimedia, publishing and games markets.

Our purpose built facilities near Leicester total some 140,000 square feet and comprises 19 fully automated rigid box making lines, our own internal print finishing facility and the group's head office.

Our key objectives are to deliver the highest level of service, quality, innovation and value to our customers.

We are committed to continuing to invest in our business and to providing a safe and rewarding environment for all our staff.

Our over-riding aim is to be a trusted supplier of premium packaging solutions to all our customers.

#### **Business review**

##### *Financial performance*

Turnover for the year to 31 December 2020 was down on the prior year at £20.4m (2019: £25.9m). This was primarily driven by lower sales into the premium drinks and consumer electronics sectors as a result of the Coronavirus pandemic.

The profit for the year before tax was £1,117,000 (2019: £1,343,000). This is consistent with the prior year performance despite the reduction in turnover and was driven by continued tight cost control and improved labour and production efficiency.

Profit for the year after tax was £808,000 (2019: £1,235,000).

##### *Business Developments*

During the year the company invested more than £600,000 in machinery and computer hardware aimed at driving efficiencies throughout its supply chain.

#### **Principal risks and uncertainties**

The principal risk to the company is considered to be the changes in the global economy and the effect on demand for luxury products, which continues to be impacted by the Coronavirus pandemic.

We aim to address these risks through managing our exposure to a broad range of sectors and markets, together with our focus on continuous improvement and our various ISO accreditations.

We also continue to invest in our business and to innovate on behalf of our customers.

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing its exposure to credit risk.

The company also seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

## POLLARD BOXES LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Financial key performance indicators

The key performance indicators used by the business primarily focus on turnover, which has decreased by 21% to £20.4m (2019: £25.9m), the percentage gross profit of 32% (2019: 29%) and the percentage profit/loss before tax of 5.5% (2019: 5.2%). The improvements in percentage gross profit and percentage profit before tax are both a direct result of the continued tight cost control and improved labour and production efficiencies.

#### Future outlook

The board are delighted to report the business was acquired by Pusterla 1880 SPA on 1 March 2021. This strengthens and safeguards our UK position, whilst adding a global sourcing reach as part of a EUR150 million plus luxury packaging group. The Pusterla group share many of the core values of Pollard Boxes Limited offering sustainable luxury packaging to its customers.

The Coronavirus pandemic is clearly something that is without precedent in modern times. This means that it is harder to forecast and predict the near future than would normally be the case.

The board's strategy of investment in staff, facilities, customer service, quality and innovation continues, though short term actions have been taken in response to the challenging market conditions that we are experiencing.

We firmly believe that the medium to long term outlook for the company and group is overwhelmingly positive.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
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**M W Pollard**  
Director

Date: 26 July 2021

## **POLLARD BOXES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors' responsibilities statement**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £808,000 (2019: £1,235,000).

During the year, the company paid a dividend of £Nil (2019: £435,000)

#### **Directors**

The directors who served during the year are noted on the company information page.

#### **Coronavirus**

At the date of signing these financial statements, the directors have considered the effect on the company with the information available to it, and do not believe it will affect the company's ability to continue to trade for the foreseeable future. See note 1.2 for further details.

**POLLARD BOXES LIMITED**

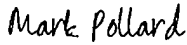
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.

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**M W Pollard**  
Director

Date: 26 July 2021

## **POLLARD BOXES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLLARD BOXES LIMITED**

#### **Opinion**

We have audited the financial statements of Pollard Boxes Limited (the 'company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **POLLARD BOXES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLLARD BOXES LIMITED (CONTINUED)**

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## POLLARD BOXES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLLARD BOXES LIMITED (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of manufacturing;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
  - Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias, in particular the carrying value of stock, and;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

**POLLARD BOXES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLLARD BOXES LIMITED (CONTINUED)**

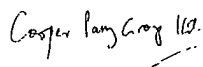
**Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members, as a body, 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.



Neil Calder (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 27 July 2021

## POLLARD BOXES LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
<b>Turnover</b>	3	20,394	25,915
Cost of sales		(14,013)	(18,398)
<b>Gross profit</b>		6,381	7,517
Administrative expenses		(5,648)	(6,105)
Other operating income	4	459	-
<b>Operating profit</b>	5	1,192	1,412
Interest receivable and similar income		-	2
Interest payable and similar charges	8	(75)	(71)
<b>Profit before taxation on ordinary activities</b>		1,117	1,343
Tax on profit on ordinary activities	9	(309)	(108)
<b>Profit for the year</b>		808	1,235
Retained earnings at the beginning of the year		6,327	5,527
Profit for the year		808	1,235
Dividends paid	10	-	(435)
<b>Retained earnings at the end of the year</b>		7,135	6,327

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 11 to 26 form part of these financial statements.

**POLLARD BOXES LIMITED**  
**REGISTERED NUMBER: 00158917**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	11	-	-
Tangible fixed assets	12	4,144	3,953
Investments	13	-	-
		<u>4,144</u>	<u>3,953</u>
<b>Current assets</b>			
Stocks	14	3,137	3,299
Debtors	15	5,462	5,961
Cash at bank and in hand		1,251	460
		<u>9,850</u>	<u>9,720</u>
<b>Creditors: amounts falling due within one year</b>	16	(4,410)	(5,873)
		<u>5,440</u>	<u>3,847</u>
<b>Net current assets</b>			
		<u>9,584</u>	<u>7,800</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	17	(1,832)	(988)
<b>Provisions for liabilities</b>			
Deferred tax	20	(599)	(467)
<b>Net assets</b>		<u>7,153</u>	<u>6,345</u>
<b>Capital and reserves</b>			
Called up share capital	21	8	8
Capital redemption reserve	22	10	10
Profit and loss account	22	7,135	6,327
		<u>7,153</u>	<u>6,345</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by by:

DocuSigned by:

*Mark Pollard*

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**M W Pollard**

Director

Date: 26 July 2021

The notes on pages 11 to 26 form part of these financial statements.

## POLLARD BOXES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. Accounting policies

Pollard Boxes Limited ("the company") is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 December 2020 (2019: year ended 31 December 2019).

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### 1.2 Coronavirus and going concern

At the balance sheet date the company had significant cash and a strong net current asset position. At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

The financial forecasts prepared by the directors show that the company will be able to operate within the facilities available to it.

On that basis, the directors have prepared these financial statements on a going concern basis.

##### 1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover is recognised on despatch of goods to the customers.

## POLLARD BOXES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. Accounting policies (continued)

##### 1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance expenditure are charged to the profit and loss account during the period in which they are incurred.

Depreciation is provided at rates calculated to write off the costs of fixed assets, less their residual value over their expected useful lives on the following basis:

Plant and machinery	-	6.66% - 20% straight line basis
Motor vehicles	-	25% straight line basis
Furniture, fittings and equipment	-	10% - 20% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the profit and loss account.

##### 1.6 Investments

Investments are held as fixed assets and are shown at cost less provision for impairment.

##### 1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.8 Hire purchase and finance leases

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.9 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

## **POLLARD BOXES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. Accounting policies (continued)**

##### **1.10 Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the rate of exchange at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account in the period in which they arise.

##### **1.11 Pensions**

In a previous accounting period, the company established an for the benefit of its officers, employees and their wider families, The Pollard Boxes Limited 2012 EFRBS ('the scheme').

No contributions were made to the scheme during the current or prior accounting period.

The company does not include the assets and liabilities of the scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

##### **1.12 Share based payments**

Having adopted FRS 102 Section 35, where grants of equity instruments existed at 7 November 2002, which remained unvested at 1 January 2006, the company has taken advantage of the transitional rules in the standard not to recognise the fair value of those equity instruments.

##### **1.13 Employee benefit trust (EBT's)**

The company does not include the assets and liabilities of Employee Benefit Trusts on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the scheme and will not have control of the rights or other access to those future economic benefits.

##### **1.14 Provisions**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.



## **POLLARD BOXES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. Accounting policies (continued)**

##### **1.15 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### **1.16 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

##### **1.17 Current and deferred taxation**

The tax charge for the period comprises current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current year or past reporting periods using the tax rates and laws that have been enacted or subsequently enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **1.18 Government grants**

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure. Grants relating to the job retention scheme are recognised when the requirements are met and recognised in the profit and loss account in the period to which it relates to.

## **POLLARD BOXES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The directors make estimates and assumptions concerning the future, they are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

In preparing these financial statements, the directors have made the following judgements:

##### **Impairment of non-current assets**

The directors assess the impairment of tangible fixed assets and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

##### **Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures, fittings and equipment, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

##### **Carrying value of stocks**

The directors review the market value of and demand for the company's stock on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

##### **Recoverability of trade debtors**

Trade and other receivables are recognised to the extent that they are judged recoverable. Directors reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

**POLLARD BOXES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Judgements in applying accounting policies (continued)**

**Dilapidation provisions**

The company recognises dilapidation provisions on the leasehold properties it occupies. The directors assess the level of provision required on a property by property basis based on past experience within the property portfolio. These provisions are reviewed annually to ensure that they reflect the current best estimate of the provision required.

**Leases**

Leases entered into either as a lessee are determined as either operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an valuation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

**Taxation**

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due.

The directors estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**3. Turnover**

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	19,587	24,620
Europe	807	1,295
	<u>20,394</u>	<u>25,915</u>

**4. Other operating income**

	2020 £000	2019 £000
Government grant - Job Retention Scheme	459	-
	<u>459</u>	<u>-</u>

**5. Operating profit**

The operating profit is stated after charging/(crediting):

	2020 £000	2019 £000
Depreciation of tangible fixed assets:		
- owned by the company	330	293
- held under finance leases	90	90
Auditors remuneration	19	18
Loss on sale of tangible assets	(7)	20
Operating lease rentals	524	526
Difference on foreign exchange	(3)	(2)
	<u>943</u>	<u>940</u>

**POLLARD BOXES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****6. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2020 £000</b>	<b>2019 £000</b>
Wages and salaries	7,767	6,748
Social security costs	645	611
Pension costs	190	180
	<u>8,602</u>	<u>7,539</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2020 No.</b>	<b>2019 No.</b>
Production	291	242
Administration	55	54
Management	5	5
	<u>351</u>	<u>301</u>

**7. Directors' remuneration**

	<b>2020 £000</b>	<b>2019 £000</b>
Directors' emoluments	352	328
Directors pension costs	34	35
	<u>386</u>	<u>363</u>

During the year retirement benefits were accruing to 4 directors (2019: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £151,000 (2019: £151,000).

**8. Interest payable and similar expenses**

	<b>2020 £000</b>	<b>2019 £000</b>
Bank interest payable	52	57
Finance leases and hire purchase contracts	23	14
	<u>75</u>	<u>71</u>

## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 9. Taxation

	2020 £000	2019 £000
<b>Corporation tax</b>		
Current tax on profits for the year	149	-
Adjustments in respect of previous periods	28	70
	<u>177</u>	<u>70</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	128	97
Adjustments in respect of prior periods	4	(59)
<b>Total deferred tax</b>	<u>132</u>	<u>38</u>
<b>Taxation on profit on ordinary activities</b>	<u>309</u>	<u>108</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019: 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	<u>1,117</u>	<u>1,343</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	212	255
<b>Effects of:</b>		
Fixed asset differences	4	4
Expenses not deductible for tax purposes	6	1
Capital allowances for year in excess of depreciation	-	(153)
Adjustment to deferred tax charge for change in tax rate	55	(11)
Deferred tax not recognised	-	1
Adjustment to deferred tax charge in respect of prior periods	4	(59)
Adjustments to tax charge in respect of prior periods	28	70
<b>Total tax charge for the year</b>	<u>309</u>	<u>108</u>

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023.

## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 10. Dividends

	2020 £000	2019 £000
Dividends paid	-	435

## 11. Intangible assets

	Goodwill £000
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	417
<b>Amortisation</b>	
At 1 January 2020 and 31 December 2020	417
<b>Net book value</b>	
At 31 December 2020	-
At 31 December 2019	-

## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 12. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>				
At 1 January 2020	5,258	251	1,845	7,354
Additions	642	-	14	656
Disposals	(72)	(67)	-	(139)
At 31 December 2020	<u>5,828</u>	<u>184</u>	<u>1,859</u>	<u>7,871</u>
<b>Depreciation</b>				
At 1 January 2020	1,916	142	1,343	3,401
Charge for the year	231	27	162	420
Disposals	(53)	(41)	-	(94)
At 31 December 2020	<u>2,094</u>	<u>128</u>	<u>1,505</u>	<u>3,727</u>
<b>Net book value</b>				
At 31 December 2020	<u>3,734</u>	<u>56</u>	<u>354</u>	<u>4,144</u>
At 31 December 2019	<u>3,342</u>	<u>109</u>	<u>502</u>	<u>3,953</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £000	2019 £000
Plant and machinery	848	906
Fixtures and fittings	65	97
	<u>913</u>	<u>1,003</u>



## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 13. Fixed asset investments

	Unlisted investments £000
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	179
<b>Impairment</b>	
At 1 January 2020 and 31 December 2020	179
<b>Net book value</b>	
At 31 December 2020	-
At 31 December 2019	-

## 14. Stocks

	2020 £000	2019 £000
Raw materials	994	1,289
Work in progress	1,652	1,299
Finished goods	491	711
	<u>3,137</u>	<u>3,299</u>

## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 15. Debtors

	2020 £000	2019 £000
Trade debtors	2,880	4,079
Amounts owed by group undertakings	906	1,062
Other debtors	1,507	623
Prepayments and accrued income	169	197
	<u>5,462</u>	<u>5,961</u>

An impairment loss of £2,000 (2019: £60,000) was recognised in administrative expenses against trade debtors during the year.

## 16. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Bank loans	115	80
Trade creditors	1,737	3,882
Corporation tax	149	50
Other taxation and social security	1,265	1,014
Obligations under finance lease and hire purchase contracts	194	96
Other creditors	142	-
Accruals and deferred income	808	751
	<u>4,410</u>	<u>5,873</u>

The bank loans are secured on the company and by way of an unlimited cross corporate guarantee between group companies.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

## 17. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Bank loans	1,279	775
Net obligations under finance leases and hire purchase contracts	553	213
	<u>1,832</u>	<u>988</u>

The bank loans are secured on the company and by way of an unlimited cross corporate guarantee between group companies.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**POLLARD BOXES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****18. Bank loans**

Analysis of the maturity of loans is given below:

	2020 £000	2019 £000
<b>Amounts falling due within one year</b>		
Bank loans	115	80
<b>Amounts falling due 1-2 years</b>		
Bank loans	814	775
<b>Amounts falling due 2-5 years</b>		
Bank loans	465	-
	<u>1,394</u>	<u>855</u>

Bank loans are secured by a debenture over the company's assets and an unlimited cross guarantee with its parent undertaking, Leicester Fancy Box Company Limited.

Included within bank loans is a loan bearing interest of 1.9% above LIBOR and is repayable in monthly installments ending in May 2022.

Also included within bank loans is a loan which bears interest at 3.14% and is repayment in monthly installments ending in August 2025.

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2020 £000	2019 £000
Within one year	194	96
Between 1-5 years	553	213
	<u>747</u>	<u>309</u>

Obligations under finance lease and hire purchase agreements are secured on the assets to which they relate.

**20. Deferred taxation**

## POLLARD BOXES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 20. Deferred taxation (continued)

	2020 £000
At beginning of year	467
Charged to profit or loss	(132)
<b>At end of year</b>	<b>599</b>

The provision for deferred taxation is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	599	467

## 21. Share capital

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
8,000 Ordinary shares of £1 each	8	8

## 22. Reserves

**Capital redemption reserve**

The capital redemption reserve records the nominal value of shares repurchased by the company.

**Profit and loss account**

The profit and loss account reserve includes all accumulated profits and losses from previous accounting periods.

## 23. Capital commitments

At 31 December 2020 the company had capital commitments as follows:

	2020 £000	2019 £000
Contracted for but not provided in these financial statements	-	521

Contracted capital commitments in 2019 relate to plant and machinery which have been subsequently purchased and capitalised as tangible fixed assets during 2020.

**POLLARD BOXES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****24. Commitments under operating leases**

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	232	326
Later than 1 year and not later than 5 years	104	287
	<u>336</u>	<u>613</u>

**25. Other financial commitments**

At the year end, the company had entered into contracts for the forward purchase of Euros for the contract value of £400,000 (2019: £1,546,000). There were no transaction costs for these contracts.

The contract matures in March 2021.

**26. Transactions with directors**

At the year end, £797,200 (2019: £436,000) was due from the directors of the company and is included within other debtors. The total amount advanced in the year to the directors of the company was £361,200 (2019: £436,000). The total amount repaid in the year from directors of the company was £Nil (2019: £435,000). No interest is charged on balances owed by directors to the company.

**27. Related party transactions**

The company has taken advantage of the FRS 102 Section 33.1A exemption from disclosing transactions with wholly owned group undertakings.

During the year the company paid rent of £118,000 (2019: £118,000) to a pension scheme, a scheme in which the directors are beneficiaries and trustees.

**28. Post balance sheet events**

Following the year end the entire issued share capital of the parent company, Leicester Fancy Box Company Limited, was purchased by Pusterla 1880 S.P.A who also operate in the UK luxury market also offering premium boxes.

**29. Ultimate parent undertaking and controlling party**

At the year end, the company's immediate and ultimate parent undertaking was Leicester Fancy Box Company Limited. In the opinion of the directors there is no ultimate controlling party.

The parent undertaking of the smallest group for which consolidated accounts are prepared is Leicester Fancy Box Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

At the date of signing these financial statements, the company's ultimate parent undertaking is Pusterla 1880 S.P.A. In the opinion of the directors, Pusterla 1880 S.P.A has no ultimate controlling party.