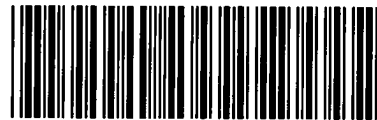


Company Registration No. 00912535 (England and Wales)

**STOROPACK UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

TUESDAY



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# STOROPACK UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr Richard Pulfrey Mr Hermann Reichenecker
<b>Secretary</b>	Mr Richard Pulfrey
<b>Company number</b>	00912535
<b>Registered office</b>	The Granary Hermitage Court Hermitage Lane Maidstone Kent ME16 9NT
<b>Auditor</b>	Nash Harvey Group LLP The Granary Hermitage Court Hermitage Lane Maidstone Kent ME16 9NT
<b>Business address</b>	Roman Ridge Industrial Estate 8 Julian Road Sheffield S9 1FZ

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# **STOROPACK UK LIMITED**

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# STOROPACK UK LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present the strategic report for the year ended 31 December 2019.

### **Fair Review of the Business**

Storopack is a specialist in protective packaging and technical molded parts. Established as a family-run company in 1874, Storopack has been operating under the name Storopack Hans Reichenecker GmbH since 1959 and is located in Metzingen, Germany. The company is organised into two divisions: Molding and Packaging.

The Molding division produces tailored protective packaging, temperature-controlled packaging, and technical molded parts made of the plastics EPS, EPP, Neopor®, and hybrid material. Typical applications include automotive, pharmaceuticals, and foods. They are also used as packaging for major appliances, information and communications technology, electronics, temperature-sensitive medicines, and foods, as well as in other industries.

The Packaging division, of which Storopack UK is a part of, offers flexible protective packaging with air cushions (AIRplus®), paper pads (PAPERplus®), PU foam packaging (FOAMplus®), and loose-fill packaging materials (PELASPAN® and PELASPAN® BIO). Its needs-based equipment covers everything from solutions for stand-alone packaging systems to the development and realisation of entire packaging lines integrated into intralogistics and offering manual, semiautomatic, or fully automatic packaging systems. Storopack's specialized application engineers see to it that all the processes are fully efficient and ergonomic (Working Comfort®), so as to continuously improve the customers' protective packaging processes.

The Packaging Division is represented in over 40 countries in North and South America, Europe and Asia.

### **Principle Risks and Uncertainties**

The current rhetoric surrounding plastic packaging has presented challenges to our AIRplus program. As a manufacturer of plastic films we take this topic very seriously, and have undertaken a number of initiatives to promote a Circular Economy for plastic products. Storopack is part of the global initiative "Alliance to End Plastic Waste", which seeks to save the planet from the scourge of plastic pollution by creating recycling infrastructures in affected regions and investing in new technologies to assist in the recovery and recycling of plastics. As an immediate step, Storopack have launched films containing a minimum of 50% recycled material, with the goal to further increase use of post-consumer plastic in the near future.

Uncertainty continues regarding Brexit, and as such has translated into reduced consumer spending, which impacts on packaging volumes. In the event of no formal trade deal with the EU agreed before the end of the transition period, Storopack is prepared for this eventuality. The majority of Storopack products sold in the UK are not subjected to WTO tariffs, and the Group has mirror production sites in the US which can be utilised should EU supply prove problematical. The Company has increased stock holding, and ensured all HMRC import requirements are in place.

Other than short term working capital facilities the Company has a low debt load, with no outstanding bank loans. As such interest risk is not a consideration.

### **Analysis of Development and Performance**

Trading was in line with expectations due to positive growth within our PAPERplus program. Tight cost control and internal efficiencies contributed to the attainment of profitability targets.

The Group strategy of Storopack is 'to continuously improve the productivity of our customers' protective packaging process' through excellence in Sales, Service, Production and Product Development.

# STOROPACK UK LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

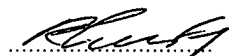
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### Key Performance Indicators

General key performance indicators in the year were as follows:

	2019	2018
Turnover	£10,796,741	£11,360,042
Gross profit % (after freight)	32.6%	33.5%
Earnings before tax	£476,487	£1,171,326
Shareholders' funds	£5,201,295	£5,000,696
Average number of employees	31	33

On behalf of the board



Mr Richard Pullrey  
**Director**

.....

# STOROPACK UK LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and financial statements for the year ended 31 December 2019.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Richard Pulfrey  
Mr Hermann Reichenecker

The directors have chosen to outline those requirements of the directors report within the strategic report.

### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £199,612. The directors do not recommend payment of a further dividend.

Preference dividends were paid amounting to £986.

### Auditor

In accordance with the Company's Articles, a resolution proposing that Nash Harvey Group LLP be reappointed as auditors of the company will be put at a General Meeting.

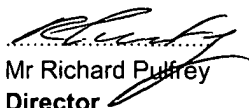
### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a fair review of the business, principle risks and uncertainties and an analysis of development and performance.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
Mr Richard Pulfrey  
Director

  
Mr Hermann Reichenecker  
Director

Date: .....

# **STOROPACK UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

# STOROPACK UK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF STOROPACK UK LIMITED

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#### Opinion

We have audited the financial statements of Storopack UK Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 FRS 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 2019 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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



# STOROPACK UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF STOROPACK UK LIMITED

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#### 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 and the directors' report.

We have nothing to report in respect of the following matters where 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, 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.

#### 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.

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



**John Alder FCA (Senior Statutory Auditor)**  
for and on behalf of Nash Harvey Group LLP

13 March 2020

**Chartered Accountants**  
**Statutory Auditor**

The Granary  
Hermitage Court  
Maidstone  
Kent  
ME16 9NT

# STOROPACK UK LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	10,796,741	11,360,042
Cost of sales		(6,715,275)	(6,932,150)
<b>Gross profit</b>		<u>4,081,466</u>	<u>4,427,892</u>
Distribution costs		(556,955)	(623,800)
Administrative expenses		(3,047,891)	(3,243,224)
<b>Operating profit</b>	<b>4</b>	<u>476,620</u>	<u>560,868</u>
Interest receivable and similar income	<b>7</b>	148	693
Interest payable and similar expenses	<b>8</b>	(281)	-
Amounts written off investments	<b>9</b>	-	609,765
<b>Profit before taxation</b>		<u>476,487</u>	<u>1,171,326</u>
Tax on profit	<b>10</b>	(75,290)	(106,744)
<b>Profit for the financial year</b>		<u><u>401,197</u></u>	<u><u>1,064,582</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# STOROPACK UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

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	2019 £	2018 £
Profit for the year	401,197	1,064,582
Other comprehensive income	-	-
Total comprehensive income for the year	<u>401,197</u>	<u>1,064,582</u>

# STOROPACK UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	12		1		1
Other intangible assets	12		2		2
Total intangible assets			3		3
Tangible assets	13		2,757,042		2,745,588
			2,757,045		2,745,591
<b>Current assets</b>					
Stocks	14	882,215		920,855	
Debtors	15	3,434,404		2,972,460	
Cash at bank and in hand		140,315		533,388	
		4,456,934		4,426,703	
<b>Creditors: amounts falling due within one year</b>	16	(1,668,199)		(1,795,496)	
<b>Net current assets</b>			2,788,735		2,631,207
<b>Total assets less current liabilities</b>			5,545,780		5,376,798
<b>Provisions for liabilities</b>	17		(344,485)		(376,102)
<b>Net assets</b>			5,201,295		5,000,696
<b>Capital and reserves</b>					
Called up share capital	20	2,486,338		2,486,338	
Revaluation reserve	21	1,364,841		1,364,841	
Profit and loss reserves	22	1,350,116		1,149,517	
<b>Total equity</b>			5,201,295		5,000,696

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

  
Mr Richard Palfrey  
Director

  
Mr Hermann Reichenecker  
Director

Company Registration No. 00912535

# STOROPACK UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2018</b>		2,486,338	1,364,841	311,784	4,162,963
<b>Year ended 31 December 2018:</b>					
Profit and total comprehensive income for the year		-	-	1,064,582	1,064,582
Dividends	11	-	-	(226,849)	(226,849)
<b>Balance at 31 December 2018</b>		2,486,338	1,364,841	1,149,517	5,000,696
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	401,197	401,197
Dividends	11	-	-	(200,598)	(200,598)
<b>Balance at 31 December 2019</b>		2,486,338	1,364,841	1,350,116	5,201,295

# STOROPACK UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	27		124,591		(128,392)
Interest paid			(281)		-
Income taxes paid			(103,373)		(118,958)
<b>Net cash inflow/(outflow) from operating activities</b>			20,937		(247,350)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(230,150)		(189,462)	
Proceeds on disposal of tangible fixed assets		16,590		-	
Proceeds on disposal of fixed asset investments		-		609,765	
Interest received		148		693	
<b>Net cash (used in)/generated from investing activities</b>			(213,412)		420,996
<b>Financing activities</b>					
Dividends paid		(200,598)		(226,849)	
<b>Net cash used in financing activities</b>			(200,598)		(226,849)
<b>Net decrease in cash and cash equivalents</b>			(393,073)		(53,203)
Cash and cash equivalents at beginning of year			533,388		586,591
<b>Cash and cash equivalents at end of year</b>			140,315		533,388

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Storopack UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Granary, Hermitage Court, Hermitage Lane, Maidstone, Kent, ME16 9NT.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licence	No amortisation charged
---------	-------------------------

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets include freehold property that is not depreciated and operates a policy of revaluation with an informal directors revaluation every third year and a formal valuation conducted by a qualified individual every fifth year.

Although this policy is not in line with the FRS 102 and is a departure from the requirements of the Companies Act 2006 to provide depreciation the directors feel that any depreciation would be immaterial and the policy applied best provides for a true and fair view of the company's affairs.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	No depreciation charge
Plant and machinery	6.67% - 50% Reducing balance and Straight line
Fixtures, fittings & equipment	10-20% Reducing balance and Straight line
Motor vehicles	25% Reducing balance

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.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stock and work in progress are valued using the weighted average method.

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.

#### 1.9 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 current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

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 administrative expenses as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.12 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Impairment Review

Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Where indicators exist impairment reviews are carried out on the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Tangible Fixed Assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where 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 are taken into account. Due to the nature of the business and the impact technological innovations has on the business their tends to be no residual value of assets.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Packaging	10,699,093	11,240,173
Machine rental	80,999	98,230
Freight	11,649	15,257
Management charges	5,000	5,000
Sundry Income	-	1,382
	<u>10,796,741</u>	<u>11,360,042</u>

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Turnover and other revenue (Continued)

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	148	693

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	10,520,217	10,809,875
Germany	78,384	43,606
France	43,789	305,119
Ireland	105,218	131,208
Sweden	20,568	44,887
Belgium	28,565	25,347
	<u>10,796,741</u>	<u>11,360,042</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Exchange losses	5,995	7,931
Fees payable to the company's auditor for the audit of the company's financial statements	8,167	8,167
Depreciation of owned tangible fixed assets	201,764	215,408
Loss on disposal of tangible fixed assets	342	8,104
Operating lease charges	230,754	218,092

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £5,995 (2018 - £7,931).

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Sales, distribution and administration	<u>31</u>	<u>33</u>

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,000,893	1,146,289
Social security costs	113,355	98,763
Pension costs	49,336	42,363
	<u>1,163,584</u>	<u>1,287,415</u>

### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	122,657	122,843
Company pension contributions to defined contribution schemes	9,448	8,970
	<u>132,105</u>	<u>131,813</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	148	693
	<u>148</u>	<u>693</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	148	693
	<u>148</u>	<u>693</u>

### 8 Interest payable and similar expenses

	2019 £	2018 £
<b>Other finance costs:</b>		
Other interest	281	-
	<u>281</u>	<u>-</u>

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 9 Amounts written off investments fixed asset investments

	2019 £	2018 £
Amounts written back to current loans	-	609,765

Amounts written off are in respect of an inter company loan with Storopack Reichenecker Properties Limited.

#### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	106,907	111,923
<b>Deferred tax</b>		
Origination and reversal of timing differences	(31,617)	(5,179)
<b>Total tax charge</b>	<b>75,290</b>	<b>106,744</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	476,487	1,171,326
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	90,533	222,552
Tax effect of expenses that are not deductible in determining taxable profit	2,348	1,586
Permanent capital allowances in excess of depreciation	(24,309)	(37,288)
Depreciation on assets not qualifying for tax allowances	38,335	40,928
Deferred tax adjustments in respect of prior years	(31,617)	-
Amounts written off in respect of intercompany loans	-	(121,034)
<b>Taxation charge for the year</b>	<b>75,290</b>	<b>106,744</b>

The proposed final dividend for the year ended 31 December 2019 is £200,598 (2018: £226,849).



# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Dividends

	2019 £	2018 £
Final paid	200,598	226,849

### 12 Intangible fixed assets

	Goodwill £	Licence £	Total £
<b>Cost</b>			
At 1 January 2019 and 31 December 2019	1	2	3
<b>Amortisation and impairment</b>			
At 1 January 2019 and 31 December 2019	-	-	-
<b>Carrying amount</b>			
At 31 December 2019	1	2	3
At 31 December 2018	1	2	3

### 13 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2019	2,100,000	1,560,420	61,004	19,250	3,740,674
Additions	80,857	83,965	65,328	-	230,150
Disposals	-	(65,899)	(14,039)	-	(79,938)
At 31 December 2019	2,180,857	1,578,486	112,293	19,250	3,890,886
<b>Depreciation and impairment</b>					
At 1 January 2019	-	964,483	29,320	1,283	995,086
Depreciation charged in the year	-	184,429	13,553	3,782	201,764
Eliminated in respect of disposals	-	(48,967)	(14,039)	-	(63,006)
At 31 December 2019	-	1,099,945	28,834	5,065	1,133,844
<b>Carrying amount</b>					
At 31 December 2019	2,180,857	478,541	83,459	14,185	2,757,042
At 31 December 2018	2,100,000	595,937	31,684	17,967	2,745,588

As at the 31st December 2019 the freehold property was valued at £2,180,857 by the directors. On the 29th November 2017 an external valuation took place by Brown & Co - Property and Business Consultants LLP and the valuation of £2,100,000 was made in accordance with the RICS valuation Global Standards 2017 published by the Royal Institute of Chartered Surveyors and complies with the International Valuations Standards where appropriate.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 13 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	816,016	735,159
Accumulated depreciation	-	-
Carrying value	<u>816,016</u>	<u>735,159</u>

The revaluation surplus is disclosed in note 21.

A fixed and floating charge has been pledged as security over the freehold land and buildings and fixed assets of the company in respect of Santander Bank PLC.

#### 14 Stocks

	2019 £	2018 £
Raw materials and consumables	263,767	342,124
Finished goods and goods for resale	618,448	578,731
	<u>882,215</u>	<u>920,855</u>

#### 15 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,392,073	2,624,084
Amounts owed by group undertakings	8,120	7,323
Other debtors	9,776	293,692
Prepayments and accrued income	24,435	47,361
	<u>3,434,404</u>	<u>2,972,460</u>

A general bad debt provision of 1% is provided against trade debtors although this is not in line with FRS 102 and is a departure from the requirements of the Companies Act 2006 this is a group reporting requirement and complies with German GAAP.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 16 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	258,249	331,431
Amounts owed to group undertakings	563,439	604,028
Corporation tax	91,707	88,173
Other taxation and social security	676,713	661,651
Accruals and deferred income	78,091	110,213
	<u>1,668,199</u>	<u>1,795,496</u>

A fixed and floating charge has been pledged as security over the freehold land and buildings and fixed assets of the company in respect of Santander Bank PLC invoice finance facility, there was no liability owing at the balance sheet date.

#### 17 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	<u>344,485</u>	<u>376,102</u>

#### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
ACAs	344,485	116,782
Revaluations	-	259,320
	<u>344,485</u>	<u>376,102</u>
<b>Movements in the year:</b>		2019 £
Liability at 1 January 2019		376,102
Credit to profit or loss		(31,617)
Liability at 31 December 2019		<u>344,485</u>

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Deferred taxation

(Continued)

The net reversal of deferred tax liabilities expected in 2020 is £25,012. This is expected to arise because depreciation is anticipated to be higher than available capital allowances. However, it should be noted that further reversals (or further increases in deferred tax liabilities) may arise. As the deferred tax balances, if any, will be dependant on future change in fair values of assets and liabilities, it is not possible to estimate any further reversals.

### 19 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	49,336	42,363

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2,472,252 Ordinary Shares of £1 each	2,472,252	2,472,252
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
14,086 7% Non Cum Preference shares of £1 each	14,086	14,086
Preference shares classified as equity	14,086	14,086
<b>Total equity share capital</b>	<b>2,486,338</b>	<b>2,486,338</b>

The company has one class of ordinary shares which carry voting rights. Additionally, the company has in issue 14,086 non voting preference shares of £1 each.

### 21 Revaluation reserve

	2019 £	2018 £
At the beginning and end of the year	1,364,841	1,364,841

The revaluation surplus is in respect of the freehold property held within the financial statements, the surplus has accumulated as a result of the company recognising the asset at fair value.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 22 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	1,149,517	311,784
Profit for the year	401,197	1,064,582
Dividends declared and paid in the year	(200,598)	(226,849)
At the end of the year	<u>1,350,116</u>	<u>1,149,517</u>

### 23 Financial commitments, guarantees and contingent liabilities

A guarantee has been provided by the parent company Reicheneker Holding GmbH and Storopack Reicheneker Properties Limited a fellow subsidiary undertaking in respect of the obligations of Santander Bank Plc limited of £1,450,000 each.

### 24 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for its vehicles, office equipment and office rental. Leases are negotiated for an average term of 3-5 years and rentals of equipment are fixed for an average of 3 years. The lease in respect of property rental is for a ten year period.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	7,602	12,037
Between two and five years	52,258	42,836
In over five years	42,500	42,500
	<u>102,360</u>	<u>97,373</u>

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	<u>147,848</u>	<u>131,813</u>

The company has taken advantage of the exemption available in accordance with FRS 102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

# STOROPACK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 26 Ultimate controlling party

The immediate parent company is Storopack Hans Reichenecker GmbH, a company registered in Germany, and the ultimate parent company is Reichenecker Holding GmbH & Co KG, a company registered in Germany and controlled by Hans Reichenecker. Reichenecker Holding GmbH & Co KG prepares group financial statements and copies can be obtained from Untere Rietstraße 30 D-72555 Metzingen.

### 27 Cash generated from/(absorbed by) operations

	2019 £	2018 £
Profit for the year after tax	401,197	1,064,582
<b>Adjustments for:</b>		
Taxation charged	75,290	106,744
Finance costs	281	-
Investment income	(148)	(693)
Loss on disposal of tangible fixed assets	342	8,104
Depreciation and impairment of tangible fixed assets	201,764	215,408
Amounts written off investments	-	(609,765)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	38,640	(108,729)
Increase in debtors	(461,944)	(3,283)
Decrease in creditors	(130,831)	(800,760)
<b>Cash generated from/(absorbed by) operations</b>	<b>124,591</b>	<b>(128,392)</b>

### 28 Analysis of changes in net funds

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	533,388	(393,073)	140,315