

STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023
FOR
NORTHERN CORRUGATED CASES LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2023

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NORTHERN CORRUGATED CASES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2023

DIRECTORS:

Mr H Emery
Mr A J McGregor

SECRETARY:

Mr A J McGregor

REGISTERED OFFICE:

Unit C Millbrook Court
Midpoint 18
Middlewich
Cheshire
CW10 0GE

REGISTERED NUMBER:

02157272 (England and Wales)

AUDITORS:

Allens Accountants Limited
Registered Auditors and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

BANKERS:

Natwest Bank Plc
7 Hustlergate
Bradford
West Yorkshire
BD1 1PP

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2023

The directors present their strategic report for the year ended 31st March 2023.

REVIEW OF BUSINESS

The financial results were in line with expectations of the Board . The company enjoyed a successful trading year, Sales decreasing by 7% on the prior year as expected and profits back to levels prior to the Covid pandemic. Turnover decreasing to £7.27 million with the profits in line with previous years.

The outlook for 2023/24 is positive.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is confident that continued working in partnership with customers and suppliers will mean it will be able to sustain and improve the existing business going forward.

The Company is very alert to the risk of customer insolvencies, this risk is managed by a high level focus on the credit control function. Customer payment records are monitored and credit limits are subject to regular review. The Board receives regular reports on amounts overdue and relevant action is taken. New Customers are screened via a review of filed accounts and the use of credit checks as appropriate.

KEY PERFORMANCE INDICATORS

Gross margins of 38.57% has slightly decreased from the prior year (41.67%) due to decrease in specific higher margin sales.

The company measures operating efficiencies in terms daily turnover monthly production wages distribution costs and raw material costs as a percentage of sales

The company uses financial KPI's such as gross profit margin, debtor / creditor and stock days as well as absolute sales value per month and wages as a percentage of sales value are also reported within the Monthly Management Information prepared for Directors and Senior Management.

ON BEHALF OF THE BOARD:

Mr H Emery - Director

31st August 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2023

The directors present their report with the financial statements of the company for the year ended 31st March 2023.

DIVIDENDS

Interim dividends per share were paid as follows:

| | |
|---------------|--------------------|
| £17.40 | - 16th August 2022 |
| £1.99 | - 31st March 2023 |
| <u>£19.39</u> | |

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st March 2023 will be £ 1,168,281 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2022 to the date of this report.

Mr H Emery
Mr A J McGregor

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2023

AUDITORS

The auditors, Allens Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr H Emery - Director

31st August 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NORTHERN CORRUGATED CASES LIMITED

Opinion

We have audited the financial statements of Northern Corrugated Cases Limited (the 'company') for the year ended 31st March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 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 31st March 2023 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 Auditors' 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

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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NORTHERN CORRUGATED CASES LIMITED

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 Report of the Directors.

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 Statement of Directors' Responsibilities set out on page three, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORTHERN CORRUGATED CASES LIMITED

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for the directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the board of directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedure to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the board of directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NORTHERN CORRUGATED CASES LIMITED

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. This description forms part of our Report of the Auditors.

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 those matters we are required to state to them in a Report of the Auditors 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.

Paul Horrocks (Senior Statutory Auditor)
for and on behalf of Allens Accountants Limited
Registered Auditors and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

31st August 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|------------------|-----------------------|------------------|-------------------------|
| TURNOVER | 3 | | 7,274,065 | | 7,800,287 |
| Cost of sales | | | <u>4,468,592</u> | | <u>4,549,917</u> |
| GROSS PROFIT | | | 2,805,473 | | 3,250,370 |
| Distribution costs | | 312,311 | | 276,665 | |
| Administrative expenses | | <u>1,448,448</u> | | <u>1,249,006</u> | |
| | | | <u>1,760,759</u> | | <u>1,525,671</u> |
| | | | 1,044,714 | | 1,724,699 |
| Other operating income | | | <u>18,960</u> | | <u>19,040</u> |
| OPERATING PROFIT | 5 | | <u>1,063,674</u> | | <u>1,743,739</u> |
| Interest receivable and similar income | | | <u>1,998</u> | | <u>43</u> |
| | | | 1,065,672 | | 1,743,782 |
| Interest payable and similar expenses | 6 | | <u>1,320</u> | | <u>18,839</u> |
| PROFIT BEFORE TAXATION | | | <u>1,064,352</u> | | <u>1,724,943</u> |
| Tax on profit | 7 | | <u>240,491</u> | | <u>294,477</u> |
| PROFIT FOR THE FINANCIAL YEAR | | | <u><u>823,861</u></u> | | <u><u>1,430,466</u></u> |

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2023

| | Notes | 2023 £ | 2022 £ |
|----------------------------|-------|----------------|------------------|
| PROFIT FOR THE YEAR | | 823,861 | 1,430,466 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME | | - | - |
| FOR THE YEAR | | <u>823,861</u> | <u>1,430,466</u> |

NORTHERN CORRUGATED CASES LIMITED (REGISTERED NUMBER: 02157272)**BALANCE SHEET**
31ST MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | | 3,645,889 | | 3,886,553 |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 269,075 | | 308,617 | |
| Debtors | 12 | 1,541,929 | | 1,681,762 | |
| Cash at bank and in hand | | 872,471 | | 903,034 | |
| | | <u>2,683,475</u> | | <u>2,893,413</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | <u>375,345</u> | | <u>603,755</u> | |
| NET CURRENT ASSETS | | | <u>2,308,130</u> | | <u>2,289,658</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>5,954,019</u> | | <u>6,176,211</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 14 | | (7,141) | | (7,141) |
| PROVISIONS FOR LIABILITIES | 15 | | <u>(329,558)</u> | | <u>(207,330)</u> |
| NET ASSETS | | | <u>5,617,320</u> | | <u>5,961,740</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 16 | | 60,235 | | 60,235 |
| Capital redemption reserve | 17 | | 342,477 | | 342,477 |
| Retained earnings | 17 | | <u>5,214,608</u> | | <u>5,559,028</u> |
| SHAREHOLDERS' FUNDS | | | <u>5,617,320</u> | | <u>5,961,740</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 31st August 2023 and were signed on its behalf by:

Mr H Emery - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2023

| | Called up share capital £ | Retained earnings £ | Capital redemption reserve £ | Total equity £ |
|-----------------------------------|------------------------------------|---------------------------|---------------------------------------|----------------------|
| Balance at 1st April 2021 | 60,235 | 4,758,680 | 342,477 | 5,161,392 |
| Changes in equity | | | | |
| Dividends | - | (630,118) | - | (630,118) |
| Total comprehensive income | - | 1,430,466 | - | 1,430,466 |
| Balance at 31st March 2022 | 60,235 | 5,559,028 | 342,477 | 5,961,740 |
| Changes in equity | | | | |
| Dividends | - | (1,168,281) | - | (1,168,281) |
| Total comprehensive income | - | 823,861 | - | 823,861 |
| Balance at 31st March 2023 | 60,235 | 5,214,608 | 342,477 | 5,617,320 |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

1. STATUTORY INFORMATION

Northern Corrugated Cases Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses for the year. However, the nature of estimation means that actual outcomes could differ from those 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 if revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgement has had the most significant effect on amounts recognised in the financial statements.

Stock valuation

A key area involving management judgement and estimate is in determining a stock valuation for old and slow moving stock items.

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:

- i) the Company has transferred the significant risks and rewards of ownership to the buyer;
- ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) the amount of turnover can be measured reliably;
- iv) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|---|
| Freehold property | - 2% on cost |
| Improvements to property | - 2% on cost |
| Plant & machinery | - 15% on reducing balance |
| Fixtures & fittings | - at variable rates on reducing balance |
| Motor vehicles | - 33% on reducing balance |

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock and work in progress are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items. Cost comprises materials, direct labour and a share of production overheads appropriate to the relevant stage of production. For work in progress and finished goods manufactured by the company, cost is taken as production cost, including labour and an appropriate proportion of attributable overheads.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Interest bearing borrowings

Interest bearing borrowing are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, together with loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable in one year), including loans and other accounts receivable and payable, are initially measured at present value of future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable in one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration, expected to be paid or received.

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 comprehensive income.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Dividends

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

| | 2023 | 2022 |
|----------------|------------------|------------------|
| | £ | £ |
| United Kingdom | 7,274,065 | 7,800,287 |
| | <u>7,274,065</u> | <u>7,800,287</u> |

4. EMPLOYEES AND DIRECTORS

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,483,082 | 1,432,127 |
| Social security costs | 128,926 | 119,534 |
| Other pension costs | 31,226 | 29,500 |
| | <u>1,643,234</u> | <u>1,581,161</u> |

The average number of employees during the year was as follows:

| | 2023 | 2022 |
|----------------------|-----------|-----------|
| Production staff | 56 | 55 |
| Administrative staff | 8 | 8 |
| | <u>64</u> | <u>63</u> |

| | 2023 | 2022 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Directors' remuneration | <u>40,950</u> | <u>40,200</u> |

5. OPERATING PROFIT

The operating profit is stated after charging:

| | 2023 | 2022 |
|---|--------------|--------------|
| | £ | £ |
| Depreciation - owned assets | 351,117 | 341,652 |
| Auditors' remuneration | 8,000 | 8,000 |
| Auditor's remuneration for non audit work | <u>5,250</u> | <u>9,500</u> |

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2023 | 2022 |
|-----------------------------|--------------|---------------|
| | £ | £ |
| Bank charges | 1,315 | 882 |
| Mortgage interest | 5 | 104 |
| Return on Preference shares | - | 17,853 |
| | <u>1,320</u> | <u>18,839</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 2023 £ | 2022 £ |
|--------------------|-----------------------|-----------------------|
| Current tax: | | |
| UK corporation tax | 138,600 | 261,864 |
| Prior period | <u>(20,337)</u> | <u>(15,394)</u> |
| Total current tax | 118,263 | 246,470 |
| Deferred tax | <u>122,228</u> | <u>48,007</u> |
| Tax on profit | <u><u>240,491</u></u> | <u><u>294,477</u></u> |

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2023 £ | 2022 £ |
|--|-----------------------|-----------------------|
| Profit before tax | <u>1,064,352</u> | <u>1,724,943</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%) | 202,227 | 327,739 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 4,572 | 10,363 |
| Adjustments to tax charge in respect of previous periods | (20,337) | (15,394) |
| Super deduction allowances | (25,065) | (28,231) |
| Changes in rate | 79,094 | - |
| Total tax charge | <u><u>240,491</u></u> | <u><u>294,477</u></u> |

8. DIVIDENDS

| | 2023 £ | 2022 £ |
|----------------------------|------------------|----------------|
| Ordinary shares of £1 each | | |
| Interim | <u>1,168,281</u> | <u>630,118</u> |

Non equity preference dividend has been paid of £nil (2022 £17,853).

9. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge represents contributions payable by the company to the scheme in the year to 31 March 2023 which amounted to £30,717 (2022: £29,014).

At the balance sheet date, amount owing to the pension scheme included within other creditors amounted to £6,413 (2022: £6,179).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

10. TANGIBLE FIXED ASSETS

| | Freehold property £ | Improvements to property £ | Plant & machinery £ |
|------------------------|--|-------------------------------------|---------------------------|
| COST | | | |
| At 1st April 2022 | 3,009,879 | 25,132 | 2,112,500 |
| Additions | 688,066 | - | 391,478 |
| Disposals | (1,141,371) | (25,132) | (29,940) |
| At 31st March 2023 | <u>2,556,574</u> | <u>-</u> | <u>2,474,038</u> |
| DEPRECIATION | | | |
| At 1st April 2022 | 352,123 | 6,451 | 1,178,512 |
| Charge for year | 25,301 | - | 203,039 |
| Eliminated on disposal | (111,772) | (6,451) | (12,527) |
| At 31st March 2023 | <u>265,652</u> | <u>-</u> | <u>1,369,024</u> |
| NET BOOK VALUE | | | |
| At 31st March 2023 | <u>2,290,922</u> | <u>-</u> | <u>1,105,014</u> |
| At 31st March 2022 | <u>2,657,756</u> | <u>18,681</u> | <u>933,988</u> |
| | Fixtures & fittings £ | Motor vehicles £ | Totals £ |
| COST | | | |
| At 1st April 2022 | 84,589 | 599,293 | 5,831,393 |
| Additions | 12,066 | 94,536 | 1,186,146 |
| Disposals | - | (87,297) | (1,283,740) |
| At 31st March 2023 | <u>96,655</u> | <u>606,532</u> | <u>5,733,799</u> |
| DEPRECIATION | | | |
| At 1st April 2022 | 39,103 | 368,651 | 1,944,840 |
| Charge for year | 15,259 | 107,518 | 351,117 |
| Eliminated on disposal | - | (77,297) | (208,047) |
| At 31st March 2023 | <u>54,362</u> | <u>398,872</u> | <u>2,087,910</u> |
| NET BOOK VALUE | | | |
| At 31st March 2023 | <u>42,293</u> | <u>207,660</u> | <u>3,645,889</u> |
| At 31st March 2022 | <u>45,486</u> | <u>230,642</u> | <u>3,886,553</u> |

Included in cost of land and buildings is freehold land of £ 571,281 (2022 - £ 792,775) which is not depreciated.

11. STOCKS

| | 2023 £ | 2022 £ |
|----------------|----------------|----------------|
| Raw materials | 221,942 | 277,694 |
| Finished goods | <u>47,133</u> | <u>30,923</u> |
| | <u>269,075</u> | <u>308,617</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---------------|-------------------------|------------------|
| | £ | £ |
| Trade debtors | 1,488,211 | 1,553,039 |
| Other debtors | 3,031 | 66,422 |
| Prepayments | 50,687 | 62,301 |
| | <u>1,541,929</u> | <u>1,681,762</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---------------------------------|-----------------------|----------------|
| | £ | £ |
| Trade creditors | 24,950 | 110,019 |
| Corporation Tax | 138,600 | 261,864 |
| Social security and other taxes | 30,160 | 30,845 |
| VAT | 99,707 | 130,983 |
| Other creditors | 48,856 | 41,638 |
| Accrued expenses | 33,072 | 28,406 |
| | <u>375,345</u> | <u>603,755</u> |

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2023 | 2022 |
|------------------------------|---------------------|--------------|
| | £ | £ |
| Redeemable preference shares | <u>7,141</u> | <u>7,141</u> |

15. PROVISIONS FOR LIABILITIES

| | 2023 | 2022 |
|--|-----------------------|----------------|
| | £ | £ |
| Deferred tax | | |
| Capital allowances in excess of depreciation | <u>329,558</u> | <u>207,330</u> |

**Deferred
tax
£**

| | |
|----------------------------|-----------------------|
| Balance at 1st April 2022 | 207,330 |
| Provided during year | <u>122,228</u> |
| Balance at 31st March 2023 | <u>329,558</u> |

16. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|----------------------|---------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 2023 | 2022 |
| | | | £ | £ |
| 60,235 | Ordinary | £1 | <u>60,235</u> | <u>60,235</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

17. **RESERVES**

| | Retained earnings £ | Capital redemption reserve £ | Totals £ |
|---------------------|------------------------------------|---|---------------------|
| At 1st April 2022 | 5,559,028 | 342,477 | 5,901,505 |
| Profit for the year | 823,861 | | 823,861 |
| Dividends | <u>(1,168,281)</u> | | <u>(1,168,281)</u> |
| At 31st March 2023 | <u>5,214,608</u> | <u>342,477</u> | <u>5,557,085</u> |

18. **ULTIMATE PARENT COMPANY**

The parent company and ultimate controlling party is Northern Corrugated Holdings Limited, a company registered in England & Wales. This company is controlled by the directors. The consolidated accounts of Northern Corrugated Holdings Limited, in which this company is included, are available to the public and can be obtained from Unit C Millbrook Court, Midpoint 18, Middlewich, Cheshire, CW10 0GE.

19. **RELATED PARTY DISCLOSURES**

During the year, a total of key management personnel compensation of £ 44,765 (2022 - £ 43,794) was paid.

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