

# NEWSPACE CONTAINERS LIMITED

Annual Report and Financial Statements  
for the Year Ended 31 December 2018



# **Newspace Containers Limited**

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# **Newspace Containers Limited**

## **Company Information**

<b>Directors</b>	M Chamberlain J L R Cicero
<b>Registered office</b>	Units 30-31 Lydney Harbour Estate Harbour Road Lydney Gloucestershire GL15 4EJ
<b>Auditor</b>	Tait Walker LLP Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

# **Newspace Containers Limited**

## **Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

### **Principal activity**

The principal activity of the company is the manufacturing of steel containers.

### **Fair review of the business**

Whilst 2018 saw pressure on margins due to steel price increases, a new sales and marketing initiative married to a thorough product range review incorporating new products is expected to deliver a healthy new business pipeline throughout 2019.

As reported in the company's profit and loss account, revenue for the year ended 31st December 2018 was £17.9m compared to £16.3m for the year ended 31st December 2017. Gross Profit for the year was £4.6m representing 25.7% of total revenues compared to £4.6m for the prior year representing 28.3% of total revenues.

In FY19 strategic investment in new products will deliver much improved market share to Newspace existing client base whilst also allowing the business to target new markets that, traditionally, Newspace Containers has had little or no presence. These strategic initiatives are expected to outweigh continuing difficult market conditions and deliver both incremental sales and margin in 2019 and beyond.

Newspace Containers continues to be highly regarded within the industry and retains its superb brand reputation with both its existing and new client base. The forward outlook for Newspace Containers is favourable as it looks to grow into previously untapped markets and expands its business within its current market.

The company's key financial and other performance indicators during the year were as follows:

	<b>Unit</b>	<b>2018</b>	<b>2017</b>
Gross profit margin	%	25.70	28.30
EBIT	%	13.80	17.70
Operating cash (as % of EBIT)	%	110.50	121.10
ROCCE (Return on controllable capital employed)	%	64.00	71.80


## **Newspace Containers Limited**

### **Strategic Report for the Year Ended 31 December 2018 (continued)**

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

Operational and compliance risks are constantly being monitored, and procedures are being implemented to tackle issues as they arise. Financial risks relating to the falling value of Sterling are minimised by the company's transactions all being in the UK. Credit risk is constantly monitored and working capital is being improved by a reduction in stock. Reputational and strategic risks should be reduced with the support of our parent company, with the emphasis being on increasing the variety of quality products. Rising material costs, particularly steel, are a principal risk to profitability.

Approved by the Board on 17/19 and signed on its behalf by:



J L R Cicero  
Director

# **Newspace Containers Limited**

## **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

### **Directors of the company**

The directors who held office during the year were as follows:

K A Frazer-Holland (resigned 9 February 2018)

C O Hutchings (resigned 19 December 2018)

G F Hutchings (resigned 19 December 2018)

M F Coia (resigned 31 May 2018)

M F Wilson (resigned 19 December 2018)

M Chamberlain (appointed 31 May 2018).

The following director was appointed after the year end:

J L R Cicero (appointed 17 June 2019)

### **Financial instruments**

#### ***Objectives and policies***

The company finances its activities with a combination of cash and short term deposits. Overdrafts are used to satisfy short term cash flow requirements. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities.

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

##### **Price risk**

Price risk is the risk that changes in raw material prices have the potential to impact on the profitability of the company. The company does not consider that it is materially exposed to price risk.

##### **Liquidity risk**

The directors' aim is to ensure the company has sufficient liquid resources to meet its operational requirements. This is closely monitored to minimise the exposure to risk.

##### **Credit risk**

The company offers its customers credit. Before credit terms are agreed, an assessment of the customer's credit rating is undertaken to ensure there is not a major credit risk to the company. Credit limits are set accordingly.

### **Future developments**

See disclosures within the Strategic Report regarding future developments of the company.

### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

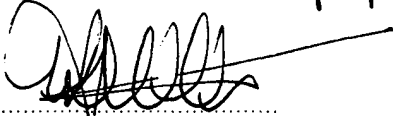
## **Newspace Containers Limited**

### **Directors' Report for the Year Ended 31 December 2018 (continued)**

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Tait Walker LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 1/7/19 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J L R Cicero', written over a dotted line.

J L R Cicero  
Director

# **Newspace Containers Limited**

## **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 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; and
- 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.



# **Newspace Containers Limited**

## **Independent Auditor's Report to the Members of Newspace Containers Limited**

### **Opinion**

We have audited the financial statements of Newspace Containers Limited (the 'company') for the year ended 31 December 2018, which comprise the Income Statement, Statement of Financial Position, 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 31 December 2018 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.

# **Newspace Containers Limited**

## **Independent Auditor's Report to the Members of Newspace Containers Limited (continued)**

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 Statement of Directors' Responsibilities (set out on page 6), 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Newspace Containers Limited**

### **Independent Auditor's Report to the Members of Newspace Containers Limited (continued)**

#### **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 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.

*Tait Walker LLP*

Brian Laidlaw BA CA (Senior Statutory Auditor)  
For and on behalf of Tait Walker LLP  
Chartered Accountants and Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: *8th July 2019*

# **Newspace Containers Limited**

## **Income Statement for the Year Ended 31 December 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	3	17,862,828	16,302,623
Cost of sales		<u>(13,270,667)</u>	<u>(11,689,543)</u>
Gross profit		4,592,161	4,613,080
Administrative expenses		<u>(2,134,479)</u>	<u>(1,721,227)</u>
Operating profit	4	2,457,682	2,891,853
Other interest receivable and similar income		4,308	724
Interest payable and similar expenses	5	<u>(6,120)</u>	<u>-</u>
Profit before tax		2,455,870	2,892,577
Taxation	9	<u>(470,917)</u>	<u>(565,332)</u>
Profit for the financial year		<u><u>1,984,953</u></u>	<u><u>2,327,245</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 13 to 24 form an integral part of these financial statements.

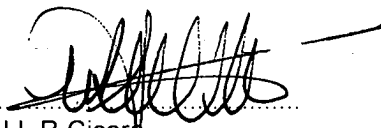
# Newspace Containers Limited

(Registration number: 04099207)

## Statement of Financial Position as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	761,695	499,167
<b>Current assets</b>			
Stocks	11	3,538,766	3,069,541
Debtors	12	6,277,325	3,998,451
Cash at bank and in hand		<u>2,241,886</u>	<u>2,651,399</u>
		12,057,977	9,719,391
<b>Creditors: Amounts falling due within one year</b>	13	<u>(3,624,277)</u>	<u>(3,025,356)</u>
<b>Net current assets</b>		<u>8,433,700</u>	<u>6,694,035</u>
<b>Total assets less current liabilities</b>		9,195,395	7,193,202
<b>Creditors: Amounts falling due after more than one year</b>	13	(28,602)	-
<b>Provisions for liabilities</b>	15	<u>(69,470)</u>	<u>(80,832)</u>
<b>Net assets</b>		<u>9,097,323</u>	<u>7,112,370</u>
<b>Capital and reserves</b>			
Called up share capital	17	67	67
Capital redemption reserve	18	-	33
Profit and loss account	18	<u>9,097,256</u>	<u>7,112,270</u>
<b>Total equity</b>		<u>9,097,323</u>	<u>7,112,370</u>

Approved and authorised by the Board on 11/7/19 and signed on its behalf by:

  
 J L R Cicero  
 Director

The notes on pages 13 to 24 form an integral part of these financial statements.

# **Newspace Containers Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2017	67	33	6,685,025	6,685,125
Profit for the year	-	-	2,327,245	2,327,245
Total comprehensive income	-	-	2,327,245	2,327,245
Dividends	-	-	(1,900,000)	(1,900,000)
At 31 December 2017	67	33	7,112,270	7,112,370

	Share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2018	67	33	7,112,270	7,112,370
Profit for the year	-	-	1,984,953	1,984,953
Total comprehensive income	-	-	1,984,953	1,984,953
Capital reduction	-	(33)	33	-
At 31 December 2018	67	-	9,097,256	9,097,323

The notes on pages 13 to 24 form an integral part of these financial statements.

# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is Units 30-31, Lydney Harbour Estate, Harbour Road, Lydney, Gloucestershire, GL15 4EJ.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements have been prepared in sterling, which is the functional currency of the entity.

#### **Summary of disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

#### **Name of parent of group**

These financial statements are consolidated in the financial statements of GCH Corporation Limited.

The financial statements of GCH Corporation Limited may be obtained from 2 Castle Business Village, Station Road, Hampton, Middlesex, TW12 2BX.

# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **2 Accounting policies (continued)**

#### **Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Assessing indicators of impairment** - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

**Assessing nature of lease** - The Company has entered into commercial leases and as a lessee it obtains use of property, plant and equipment. The classification as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

**Taxation** - Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

#### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

**Useful economic lives of tangible assets** - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation. The carrying amount is £761,695 (2017 - £499,167).

**Impairment of debtors** - The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £23,790 (2017 - £11,790).

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.



# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **2 Accounting policies (continued)**

#### **Tax**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

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

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

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	10% straight line
Motor vehicles	25% straight line
Office equipment	10% straight line

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **2 Accounting policies (continued)**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

# Newspace Containers Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 2 Accounting policies (continued)

#### Defined contribution pension obligation

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

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

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Sale of goods	17,862,828	16,285,526
Rendering of services	-	17,097
	<u>17,862,828</u>	<u>16,302,623</u>

The analysis of the company's turnover for the year by market is as follows:

	2018 £	2017 £
UK	<u>17,862,828</u>	<u>16,302,623</u>

### 4 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	99,751	69,690
Loss on disposal of property, plant and equipment	<u>13,581</u>	<u>-</u>

### 5 Interest payable and similar expenses

	2018 £	2017 £
Interest on obligations under finance leases and hire purchase contracts	<u>6,120</u>	<u>-</u>

# Newspace Containers Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	3,929,139	3,103,049
Social security costs	371,145	297,016
Pension costs, defined contribution scheme	72,952	20,696
	<u>4,373,236</u>	<u>3,420,761</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Production	114	109
Administration and support	10	7
Management	9	6
	<u>133</u>	<u>122</u>

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	<u>143,506</u>	<u>103,512</u>

The emoluments of four directors are paid by the parent company. Two of these directors are also directors of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in this respect. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

### 8 Auditor's remuneration

	2018	2017
	£	£
Audit of the financial statements	<u>11,000</u>	<u>11,000</u>

# Newspace Containers Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 9 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	482,279	549,409
UK corporation tax adjustment to prior periods	-	1,363
	<u>482,279</u>	<u>550,772</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(12,699)	8,177
Arising from changes in tax rates and laws	1,337	6,383
	<u>(11,362)</u>	<u>14,560</u>
Total deferred taxation		
	<u>470,917</u>	<u>565,332</u>
Tax expense in the income statement		

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>2,455,870</u>	<u>2,892,577</u>
Corporation tax at standard rate	466,615	556,821
Effect of expense not deductible in determining taxable profit (tax loss)	2,965	2,094
UK deferred tax expense (credit) relating to changes in tax rates or laws	1,337	(1,081)
Increase (decrease) in UK and foreign current tax from unrecognised tax loss or credit	-	1,365
Deferred tax expense (credit) from unrecognised tax loss or credit	-	15,640
Tax increase (decrease) from effect of capital allowances and depreciation	-	(9,507)
Total tax charge	<u>470,917</u>	<u>565,332</u>

# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **9 Taxation (continued)**

#### **Deferred tax**

#### **Deferred tax assets and liabilities**

	<b>Asset £</b>	<b>Liability £</b>
<b>2018</b>		
Difference between accumulated depreciation and capital allowances	-	71,254
Other timing differences	1,785	-
	<u>1,785</u>	<u>71,254</u>
<b>2017</b>		
Difference between accumulated depreciation and capital allowances	-	81,290
Other timing differences	458	-
	<u>458</u>	<u>81,290</u>

# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **10 Tangible assets**

	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	981,071	27,985	66,065	1,075,121
Additions	222,502	142,737	10,627	375,866
Disposals	(8,700)	-	(18,460)	(27,160)
Transfers	(21,116)	-	21,116	-
At 31 December 2018	<u>1,173,757</u>	<u>170,722</u>	<u>79,348</u>	<u>1,423,827</u>
<b>Depreciation</b>				
At 1 January 2018	537,368	11,257	27,329	575,954
Charge for the year	69,553	8,334	21,864	99,751
Eliminated on disposal	(5,497)	-	(8,076)	(13,573)
Transfers	(16,225)	-	16,225	-
At 31 December 2018	<u>585,199</u>	<u>19,591</u>	<u>57,342</u>	<u>662,132</u>
<b>Carrying amount</b>				
At 31 December 2018	<u>588,558</u>	<u>151,131</u>	<u>22,006</u>	<u>761,695</u>
At 31 December 2017	<u>443,703</u>	<u>16,728</u>	<u>38,736</u>	<u>499,167</u>

### **Assets held under finance leases and hire purchase contracts**

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Plant and machinery	<u>90,072</u>	<u>-</u>

### **11 Stocks**

	2018 £	2017 £
Raw materials and consumables	1,198,145	809,475
Work in progress	1,169,358	1,165,640
Finished goods and goods for resale	<u>1,171,263</u>	<u>1,094,426</u>
	<u>3,538,766</u>	<u>3,069,541</u>

The cost of stocks recognised as an expense in the year amounted to £9,645,518 (2017 - £8,481,877).

# **Newspace Containers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **12 Debtors**

	2018	2017
	£	£
Trade debtors	2,907,390	2,906,910
Amounts owed by group undertakings	3,288,000	1,000,000
Prepayments	81,935	91,541
	<u>6,277,325</u>	<u>3,998,451</u>

### **13 Creditors**

	Note	2018	2017
		£	£
<b>Due within one year</b>			
Loans and borrowings	14	37,385	-
Trade creditors		2,755,127	2,176,549
Social security and other taxes		355,111	429,285
Other creditors		43,366	52,058
Accrued expenses		242,445	120,297
Corporation tax liability		190,843	247,167
		<u>3,624,277</u>	<u>3,025,356</u>
<b>Due after one year</b>			
Loans and borrowings	14	<u>28,602</u>	<u>-</u>

### **14 Loans and borrowings**

	2018	2017
	£	£
<b>Current loans and borrowings</b>		
Hire Purchase and finance lease liabilities	<u>37,385</u>	<u>-</u>

Liabilities are secured on the asset to which they relate.

	2018	2017
	£	£
<b>Non-current loans and borrowings</b>		
Hire purchase and finance lease liabilities	<u>28,602</u>	<u>-</u>

Liabilities are secured on the asset to which they relate.



# Newspace Containers Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 January 2018	80,832	80,832
Increase (decrease) in existing provisions	(11,362)	(11,362)
At 31 December 2018	<u>69,470</u>	<u>69,470</u>

### 16 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £72,952 (2017 - £20,696).

Contributions totalling £10,501 (2017 - £2,697) were payable to the scheme at the end of the year and are included in creditors.

### 17 Share capital

#### Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	<u>67</u>	<u>67</u>	<u>67</u>	<u>67</u>

### 18 Reserves

#### Share capital

Share capital represents the issued share capital of the company.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 19 Obligations under leases and hire purchase contracts

#### Finance leases

The total of future minimum lease payments is as follows:

## **Newspace Containers Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **19 Obligations under leases and hire purchase contracts (continued)**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than one year	37,385	-
Later than one year and not later than five years	28,602	-
	<u>65,987</u>	<u>-</u>

#### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than one year	115,323	162,304
Later than one year and not later than five years	12,260	83,694
	<u>127,583</u>	<u>245,998</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £203,800 (2017 - £163,485).

#### **20 Dividends**

##### **Interim dividends paid**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interim dividend of £Nil (2017 - £28,358.21) per each Ordinary share	<u>-</u>	<u>1,900,000</u>

#### **21 Commitments**

##### **Capital commitments**

Newspace Containers Limited entered into a contract for the purchase of fixed assets as at 31 December 2018.

The total amount contracted for but not provided in the financial statements was £57,110 (2017 - £Nil).

#### **22 Parent and ultimate parent undertaking**

The company's immediate parent is GCH Corporation Limited, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is GCH Corporation Limited. These financial statements are available upon request from 2 Castle Business Village, Station Road, Hampton, Middlesex, TW12 2BX.

The ultimate controlling party is Mr G F Hutchings.