

Parkside Flexibles (Europe) Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 05325366

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Parkside Flexibles (Europe) Limited

Company Information

Directors	R S Adamson M N K Aldridge P M Birch R Grace V Rayment
Company secretary	V Rayment
Registered number	05325366
Registered office	Unit H1 Normanton Industrial Estate Tyler Close Normanton West Yorkshire WF6 1RL
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Parkside Flexibles (Europe) Limited

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Parkside Flexibles (Europe) Limited

Group Strategic Report For the Year Ended 31 December 2020

The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2020.

Principal activities

Parkside works with a wide-ranging portfolio of clients from start-ups to global brands to deliver high quality, flexible packaging to Tobacco, Food and Beverage and Pharmaceutical industries.

A culture of R&D allows for the development of innovative packaging solutions for global markets, founded on our expertise in the print, lamination and lasering of flexible packaging materials.

The delivery of packaging innovation remains the bedrock of the business strategy along with setting continual high standards in Quality, Health, Safety and Environment Management ('QHSE').

Business review and results

Whilst sales in the first 6 months of 2020 were strong, the Global Covid-19 pandemic impacted sales volume and turnover in the latter part of the year.

Whilst 2020 showed a slower trading position, particularly in relation to some of its core business, the Group continued to drive its sales strategy of new product development throughout the pandemic.

Sustainable packaging solutions remain at the forefront of this strategy and are key in the Group's planned sales growth. Both increased consumer and brand awareness for sustainable alternatives to plastics remain a key driver in the flexible packaging market and, despite a challenging year, the Group still delivered 18 new sustainable product launches to market.

Due to Parkside's strong commitment to sustainable packaging, they remain at the forefront of this development and are the only company globally to offer fully accredited home compostable barrier laminates certified by both TUV in Europe and ABA in Australia.

Sales have been further supported by an additional key area of growth in lasered lidding film, which again meets consumer demand for a sustainable packaging. When the lasered lidding film is combined with a PET tray, it offers a fully re-cyclable product under the OPRL re-cycling scheme. This type of product has seen increased sales growth in both the UK and central Europe, particularly in relation to the fresh produce sector. The packaging format has also been very well received in North America and is anticipated to launch in 2021.

The Group continued to support the continuous improvement drive for increased standards in Environment, Health & Safety and Hygiene through investment in employee training and facility upgrades in both the UK and Asia sites, gaining renewed accreditations for ISO 9001, 14001, 18001 and BRC.

Parkside Flexibles (Europe) Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Going concern

The Directors have reviewed the going concern status of the Group following the continued impact of COVID-19, with various factors considered in detail. These include the impact on the Group's customers and markets, the supply chain and ability to procure appropriate raw materials, the ongoing access to financing, and the ability to maintain operations and manufacturing output. The Directors assess that the going concern assumption remains appropriate at this time.

The current pipeline of orders in the UK and Europe remain strong and in growth as we come out of Covid. The Covid pandemic continues to affect Global regions differently and recovery outside of Europe remains slow although the group outlook shows a profitable strong position, with positive operating cash flows. The Group has tried to minimise any UK and Malaysian Government financial support since the onset of the pandemic, however these and other potential mitigating actions remain available to the Directors in the future should this be required.

The Directors remain positive about the future prospects of the Group during this period, and have been pleased with the performance of the Group since the onset of COVID-19. The Directors see the value of having two sites globally to help mitigate any local effect of the pandemic.

Key performance indicators

The following KPI's form part of the financial tools used by management to monitor business performance.

	2020	2019
EBITDA % on sales	6.5%	6.6%
Return on capital	9.8%	12.2%

EBITDA represents the profit before tax, interest and depreciation/turnover.

Return on capital represents profit before tax/net assets.

Parkside Flexibles (Europe) Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Principal risks and uncertainties

The Directors remain focussed on the improvement of the profitability of the business by utilising the Group's resources to deliver further market diversification and sales growth through innovation whilst at the same time carefully managing the risks to the operation. Such risks include:

- Global legislation changes to current markets
- Foreign currency exchange risk, which is managed through natural hedging assets against liabilities in foreign currency.
- Raw material supply and pricing. The Group works closely with a number of key suppliers to ensure a consistent, reliable and constant supply of good quality raw materials. New global supply chains are constantly being evaluated to ensure there is scope for volume growth and added value at competitive prices.
- In April 2022 the UK government will implement a plastic tax for any plastic packaging with less than 30% recycled material. Parkside have been working hard to develop a number of sustainable offerings which will help our customer base navigate this legislation. We have recently undertaken and passed the ISCC accreditation which allows Parkside to purchase materials with a minimum of 30% recycled content and this is now offered as part of our material portfolio. Alongside this offering we also have materials which are accredited home compostable, which we believe will be exempt from the taxation. As our supplier base is global and the tax is a UK requirement, manufacturers outside of the UK have been slow to develop base material alternatives that contain recycled content however we believe this will change as demand for alternatives increases.

Future developments

The Group will continue to invest further in all areas of the business from people to equipment to support our sales strategy, enabling the further development of long term customer relationships. The Group will use this platform and focus to further extend its geographical reach in delivering new innovation to new markets. We remain committed to our core values as these opportunities are brought to market, and will continue to deliver upon the cornerstones of innovation, quality and reliability.

This report was approved by the board on 24th August 2021 and signed on its behalf.



V Rayment
Director

Parkside Flexibles (Europe) Limited

Directors' Report For the Year Ended 31 December 2020

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

Results and dividends

The profit for the year, after taxation, amounted to £833,928 (2019 - £999,232).

Dividends declared during the year comprise a final dividend of £150,000 (2019 - £150,000) in respect of the year ended 31 December 2020.

Directors

The Directors who served during the year were:

R S Adamson
M N K Aldridge
P M Birch
R Grace
V Rayment

Political donations

The Group did not make any political donations or incur any political expenditure during the year.

Financial instruments

Currency exchange risk

Foreign exchange risk arises when trading outside of the functional currency. Across the Group the main trading currencies are Euro and GBP, which the Directors naturally hedge to mitigate the exchange rate movement. The Directors try and maintain trade in either EUR, GBP or MYR when local supply demands to limit exchange rate risk.

Credit Risk

Company policy is to assess each potential customer for credit worthiness at the point of initial enquiry. Standard payment terms and conditions would apply unless a formal contract was in place at that point the terms would be negotiated. Credit limits are set for each customer and these are managed depending on level of work. If there are credit concerns then the Group has a policy of payment on placing orders.

This policy has performed well for the business with no material bad debts being written off.

Qualifying third party indemnity provisions

The Company has not entered into qualifying third party indemnity arrangements for the benefit of the Directors in a form and scope which comply with the requirements of the Companies Act 2006.

Matters covered in the Strategic Report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report in accordance with S414C(11) as the Directors consider them to be of strategic importance to the Group.

Parkside Flexibles (Europe) Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Disclosure of information to auditor

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

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

Auditor

The auditor, BDO LLP was appointed in the year. A resolution to reappoint BDO LLP will be proposed in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24th August 2021 and signed on its behalf.



V Rayment
Director

Parkside Flexibles (Europe) Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company 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 Group and Company and of the profit or loss of the Group and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Parkside Flexibles (Europe) Limited

Independent Auditor's report to the members of Parkside Flexibles (Europe) Limited

Opinion on the financial statements

In our opinion:

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

We have audited the financial statements of Parkside Flexibles (Europe) Limited (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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.

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 Group's and Parent 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.

Parkside Flexibles (Europe) Limited

Independent Auditor's report to the members of Parkside Flexibles (Europe) Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Parkside Flexibles (Europe) Limited

Independent Auditor's report to the members of Parkside Flexibles (Europe) Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's compliance with laws and regulations that have a direct impact on the financial statements including, but not limited to, UK company law and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements.

Based on our understanding we designed our audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We made enquiries of management and of the Directors as to the risks of non-compliance and any instances thereof. We also addressed the risk of management override of internal controls, including testing journal entries processed during and subsequent to the year and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Parkside Flexibles (Europe) Limited

Independent Auditor's report to the members of Parkside Flexibles (Europe) Limited (continued)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Paul Davies

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Paul Davies (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Leeds

United Kingdom

24 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Parkside Flexibles (Europe) Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	36,207,363	38,106,071
Cost of sales		(28,399,606)	(29,017,842)
Gross profit		7,807,757	9,088,229
Administrative expenses		(6,725,755)	(7,772,763)
Other operating income	5	56,017	-
Operating profit	6	1,138,019	1,315,466
Interest receivable and similar income	10	-	219
Interest payable and similar expenses	11	(113,907)	(147,382)
Profit before taxation		1,024,112	1,168,303
Tax on profit	12	(190,184)	(169,071)
Profit for the financial year		833,928	999,232
Other comprehensive income			
Currency translation differences		54,361	(134,930)
Other comprehensive income for the year		54,361	(134,930)
Total comprehensive income for the year		888,289	864,302

All profit and total comprehensive income is attributable to the owners of the Parent Company.

The notes on pages 17 to 36 form part of these financial statements.

Parkside Flexibles (Europe) Limited

Registered number:05325366

Consolidated Statement of Financial Position As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		4,484,210		5,453,488
Current assets					
Stocks	16	2,991,362		3,644,086	
Debtors	17	5,086,439		5,200,502	
Cash at bank and in hand		3,754,528		2,694,438	
		11,832,329		11,539,026	
Creditors: amounts falling due within one year	18	(4,385,189)		(4,922,701)	
Net current assets			7,447,140		6,616,325
Total assets less current liabilities			11,931,350		12,069,813
Creditors: amounts falling due after more than one year	19		(1,398,987)		(2,239,588)
Provisions for liabilities					
Deferred taxation	21		(131,344)		(177,495)
Net assets			10,401,019		9,652,730
Capital and reserves					
Called up share capital	22		500,003		500,000
Share premium account	23		9,997		-
Profit and loss account	23		9,891,019		9,152,730
Equity attributable to the owners of the Parent Company			10,401,019		9,652,730

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

24th August 2021



V Rayment
Director

The notes on pages 17 to 36 form part of these financial statements.

Parkside Flexibles (Europe) Limited
Registered number: 05325366

Company Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	14		4,123,532		4,914,114
Investments	15		178,000		178,000
			<u>4,301,532</u>		<u>5,092,114</u>
Current assets					
Stocks	16	1,671,304		1,879,784	
Debtors: amounts falling due within one year	17	3,506,666		4,261,983	
Cash at bank and in hand		3,168,600		1,978,044	
		<u>8,346,570</u>		<u>8,119,811</u>	
Creditors: amounts falling due within one year	18	(3,673,126)		(3,584,709)	
Net current assets			<u>4,673,444</u>		<u>4,535,102</u>
Total assets less current liabilities			<u>8,974,976</u>		<u>9,627,216</u>
Creditors: amounts falling due after more than one year	19		(1,398,987)		(2,239,588)
Provisions for liabilities					
Deferred taxation	21		(313,248)		(291,421)
Net assets			<u><u>7,262,741</u></u>		<u><u>7,096,207</u></u>
Capital and reserves					
Called up share capital	22		500,003		500,000
Share premium account	23		9,997		-
Profit and loss account brought forward	23	6,596,207		6,094,219	
Profit for the year	23	306,534		651,988	
Dividends paid	23	(150,000)		(150,000)	
		<u></u>	<u>6,752,741</u>	<u></u>	<u>6,596,207</u>
Profit and loss account carried forward					
Equity attributable to the owners of the Parent Company			<u><u>7,262,741</u></u>		<u><u>7,096,207</u></u>

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



V Rayment
Director

24th August 2021

The notes on pages 17 to 36 form part of these financial statements.

Parkside Flexibles (Europe) Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	500,000	-	9,152,730	9,652,730
Comprehensive income for the year				
Profit for the year	-	-	833,928	833,928
Currency translation differences	-	-	54,361	54,361
Other comprehensive income for the year	-	-	54,361	54,361
Total comprehensive income for the year	-	-	888,289	888,289
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(150,000)	(150,000)
Shares issued during the year	3	9,997	-	10,000
Total transactions with owners	3	9,997	(150,000)	(140,000)
At 31 December 2020	500,003	9,997	9,891,019	10,401,019

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	500,000	8,438,428	8,938,428
Comprehensive income for the year			
Profit for the year	-	999,232	999,232
Currency translation differences	-	(134,930)	(134,930)
Other comprehensive income for the year	-	(134,930)	(134,930)
Total comprehensive income for the year	-	864,302	864,302
Contributions by and distributions to owners			
Dividends: Equity capital	-	(150,000)	(150,000)
Total transactions with owners	-	(150,000)	(150,000)
At 31 December 2019	500,000	9,152,730	9,652,730

The notes on pages 17 to 36 form part of these financial statements.

Parkside Flexibles (Europe) Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	500,000	-	6,596,207	7,096,207
Comprehensive income for the year				
Profit for the year	-	-	306,534	306,534
	-	-	306,534	306,534
Total comprehensive income for the year				
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(150,000)	(150,000)
Shares issued during the year	3	9,997	-	10,000
At 31 December 2020	500,003	9,997	6,752,741	7,262,741

Company Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	500,000	6,094,219	6,594,219
Comprehensive income for the year			
Profit for the year (As restated)	-	651,988	651,988
	-	651,988	651,988
Total comprehensive income for the year (As restated)			
Contributions by and distributions to owners			
Dividends: Equity capital	-	(150,000)	(150,000)
Total transactions with owners	-	(150,000)	(150,000)
At 31 December 2019	500,000	6,596,207	7,096,207

The notes on pages 17 to 36 form part of these financial statements.

Parkside Flexibles (Europe) Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	833,928	999,232
Adjustments for:		
Depreciation of tangible assets	1,229,120	1,200,479
Interest paid	113,907	147,382
Interest received	-	(219)
Taxation charge	190,184	169,071
Decrease/(increase) in stocks	652,724	(1,071,726)
(Increase)/decrease in debtors	(135,019)	2,598,209
Decrease in creditors	(528,907)	(1,863,815)
Corporation tax received/(paid)	22,748	(325,456)
Foreign exchange	179,964	240,081
Net cash generated from operating activities	2,558,649	2,093,238
Cash flows used in investing activities		
Purchase of tangible fixed assets	(385,446)	(729,213)
Interest received	-	219
Net cash used in investing activities	(385,446)	(728,994)
Cash flows (used in)/from financing activities		
Repayment of pre-shipment asset loans	-	(185,537)
Repayment of finance leases	(840,601)	(659,197)
New finance leases	-	1,526,185
Dividends paid	(150,000)	(150,000)
Interest paid	(113,907)	(147,382)
Net cash (used in)/from financing activities	(1,104,508)	384,069
Net decrease in cash and cash equivalents	1,068,695	1,748,313
Cash and cash equivalents at beginning of year	2,694,438	990,558
Foreign exchange gains and losses	(8,605)	(44,433)
Cash and cash equivalents at the end of year	3,754,528	2,694,438
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,754,528	2,694,438

The notes on 17 - 36 form part of these financial statements.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Parkside Flexibles (Europe) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page and the nature of the Group's operations and its principal activity is set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Parent company exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Parent Company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Going concern

The Directors have reviewed the going concern status of the Group following the impact of COVID-19, with various factors considered in detail. These include the impact on the Group's customers and markets, the supply chain and ability to procure appropriate raw materials, the ongoing access to financing, and the ability to maintain operations and manufacturing output. The Directors assess that the going concern assumption remains appropriate at this time.

The current pipeline of orders in the UK and Europe remain strong and in growth as we come out of Covid. Covid continues to effect regions differently and recovery outside of Europe remains slow the outlook shows a profitable position, with positive operating cash flows. The Group has tried to minimise any UK Government financial support since the onset of the pandemic, however these and other potential mitigating actions remain available to the Directors in the future should this be required.

The Directors remain positive about the future prospects of the Group during this period, and have been pleased with the performance of the Group since the onset of COVID-19. The Directors see the value of having two sites globally to help mitigate any local effect of the pandemic.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP. All amounts in these financial statements have been rounded to the nearest £1.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the monthly average exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Turnover

Turnover represents amounts invoiced for goods and services net of value added tax (as applicable).

Turnover is recognised on dispatch when it can be measured reliably and it is probable that future economic benefits will accrue to the Group.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in other income in the period in which it becomes receivable and the related expense is incurred.

2.10 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the term of the lease
Plant and machinery	- 10 - 20% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.17 Financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.18 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial 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.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 14)

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 the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Stock (see note 16)

Management estimate the proportion of direct wages to be absorbed into stock cost based on production rates over the year. Stock carrying value is subsequently considered as to whether any stock provisions are needed based on the age and quality of stock held.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	6,708,622	6,932,532
Rest of Europe	7,336,416	6,572,336
Rest of the world	22,162,325	24,601,203
	<u>36,207,363</u>	<u>38,106,071</u>

5. Other operating income for furloughed employees

	2020 £	2019 £
Government grants receivable for furloughed employees	<u>56,017</u>	<u>-</u>

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Operating profit

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

	2020 £	2019 £
Depreciation on tangible fixed assets	1,229,120	1,200,479
Operating lease rentals	677,798	644,675
Foreign exchange (gains)/losses	(862,620)	240,081

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	47,500	42,000

Fees payable to the Group's auditor in respect of:

Audit of financial statements of subsidiaries pursuant to legislation	15,900	14,850
Other services relating to taxation	7,750	12,039
	23,650	26,889

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

8. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	4,692,120	5,269,799	3,962,633	4,370,563
Social security costs	450,307	452,887	442,984	444,871
Cost of defined contribution scheme	309,414	288,376	209,735	186,980
	<u>5,451,841</u>	<u>6,011,062</u>	<u>4,615,352</u>	<u>5,002,414</u>

Employees (continued)

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Manufacturing	127	138	94	100
Administration	43	43	29	29
Selling	5	9	4	8
	<u>175</u>	<u>190</u>	<u>127</u>	<u>137</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	457,585	507,714
Company contributions to defined contribution pension schemes	34,869	63,616
	<u>492,454</u>	<u>571,330</u>

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

The highest paid Director received remuneration of £138,000 (2019 - £174,382).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £12,000 (2019 - £12,000).

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Interest receivable

	2020 £	2019 £
Other interest receivable	-	219

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	8,469	10,757
Finance leases and hire purchase contracts	105,438	136,625
	<u>113,907</u>	<u>147,382</u>

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	59,474	-
Adjustments in respect of prior periods	430	(109,442)
	<u>59,904</u>	<u>(109,442)</u>
Foreign tax		
Foreign tax on income for the year	164,221	230,723
Foreign tax in respect of prior periods	15,152	(8,689)
	<u>179,373</u>	<u>222,034</u>
Total current tax	<u>239,277</u>	<u>112,592</u>
Deferred tax		
Origination and reversal of timing differences	(15,471)	64,910
Adjustments in respect of prior periods	(66,323)	(8,431)
Effect of changes in tax rates	32,701	-
Total deferred tax	<u>(49,093)</u>	<u>56,479</u>
Taxation on profit	<u>190,184</u>	<u>169,071</u>

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	1,024,112	1,168,303
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	194,581	221,978
Effects of:		
Fixed asset timing differences	6,541	7,775
(Income not taxable)/expenses not deductible for tax purposes	(24,573)	33,665
Adjustments to tax in respect of prior periods	15,582	(118,131)
Adjustments to tax in respect of prior periods - deferred tax	(66,323)	(8,431)
Deferred tax rate differences	32,701	(12,412)
Foreign tax rate differences	34,213	46,472
Other permanent differences	(2,538)	(1,845)
Total tax charge for the year	190,184	169,071

Factors that may affect future tax charges

The budget resolution has announced a rise of the UK Corporation tax rate to 25% from 1 April 2022. This has not been substantively enacted at the balance sheet signing date and as such has not impacted upon the calculation of deferred tax as at 31 December 2020. The utilisation of the new corporation tax rate proposed in the recent budget will be considered in future periods.

13. Dividends

	2020 £	2019 £
Final dividend declared of £0.30 per share (2019 - £0.30)	150,000	150,000

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2020	1,117,543	12,631,900	56,610	407,361	14,213,414
Additions	34,930	350,516	-	-	385,446
Exchange adjustments	(12,014)	45,022	(929)	6,361	38,440
At 31 December 2020	<u>1,140,459</u>	<u>13,027,438</u>	<u>55,681</u>	<u>413,722</u>	<u>14,637,300</u>
Depreciation					
At 1 January 2020	792,152	7,557,672	43,057	367,045	8,759,926
Charge for the year	86,947	1,106,635	-	35,538	1,229,120
Exchange adjustments	(10,646)	168,672	7,757	(1,739)	164,044
At 31 December 2020	<u>868,453</u>	<u>8,832,979</u>	<u>50,814</u>	<u>400,844</u>	<u>10,153,090</u>
Net book value					
At 31 December 2020	<u>272,006</u>	<u>4,194,459</u>	<u>4,867</u>	<u>12,878</u>	<u>4,484,210</u>
At 31 December 2019	<u>325,391</u>	<u>5,074,228</u>	<u>13,553</u>	<u>40,316</u>	<u>5,453,488</u>

Included in plant and machinery are assets held under finance lease obligations with net book value £3,541,669 (2019 - £4,107,620). Depreciation charged during the year in respect of these assets was £689,260 (2019 - £713,453).

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	385,352	10,323,607	337,645	11,046,604
Additions	34,930	85,288	-	120,218
At 31 December 2020	<u>420,282</u>	<u>10,408,895</u>	<u>337,645</u>	<u>11,166,822</u>
Depreciation				
At 1 January 2020	149,963	5,673,447	309,080	6,132,490
Charge for the year	38,874	843,479	28,447	910,800
At 31 December 2020	<u>188,837</u>	<u>6,516,926</u>	<u>337,527</u>	<u>7,043,290</u>
Net book value				
At 31 December 2020	<u>231,445</u>	<u>3,891,969</u>	<u>118</u>	<u>4,123,532</u>
At 31 December 2019	<u>235,389</u>	<u>4,650,160</u>	<u>28,565</u>	<u>4,914,114</u>

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2020 and 31 December 2020	178,000

Subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Parkside Flexibles (Asia) Sdn Bhd	Lot 3, Jalan Perunding U1/17, Seksyen 1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor, Malaysia	Ordinary	100%

16. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials and consumables	1,600,757	1,834,088	948,736	874,954
Work in progress	659,064	750,708	306,558	357,568
Finished goods and goods for resale	731,541	1,059,290	416,010	647,262
	<u>2,991,362</u>	<u>3,644,086</u>	<u>1,671,304</u>	<u>1,879,784</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	4,420,640	4,351,055	1,393,667	1,839,933
Amounts owed by group undertakings	-	-	1,678,935	1,921,700
Amounts owed by related undertakings	-	279,323	-	279,323
Other debtors	355,028	119,036	237,250	22,761
Called up share capital not paid	10,000	-	10,000	-
Prepayments and accrued income	275,796	167,031	186,814	88,601
Tax recoverable	24,975	284,057	-	109,665
	<u>5,086,439</u>	<u>5,200,502</u>	<u>3,506,666</u>	<u>4,261,983</u>

Amounts due from group undertakings are interest free and repayable on demand.

The impairment loss recognised in the Group profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2019 - £768).

18. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	1,908,053	1,751,748	1,234,047	934,667
Other taxation and social security	142,558	233,189	106,534	233,190
Corporation tax	-	-	59,474	-
Obligations under finance lease	840,601	840,601	840,601	840,601
Other creditors	-	368,188	150,000	293,671
Accruals and deferred income	1,493,977	1,728,975	1,282,470	1,282,580
	<u>4,385,189</u>	<u>4,922,701</u>	<u>3,673,126</u>	<u>3,584,709</u>

19. Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Obligations under finance lease	<u>1,398,987</u>	<u>2,239,588</u>	<u>1,398,987</u>	<u>2,239,588</u>

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Within one year	840,601	840,601	840,601	840,601
Between 1-5 years	1,398,987	2,239,588	1,398,987	2,239,588
	<u>2,239,588</u>	<u>3,080,189</u>	<u>2,239,588</u>	<u>3,080,189</u>

Obligations under finance leases are secured against the assets to which they relate and accrue interest at variable rates.

21. Deferred taxation

Group

	2020 £
At beginning of year	177,495
Tax credit to profit or loss	(49,093)
Exchange rate differences	2,942
At end of year	<u><u>131,344</u></u>

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

21. Deferred taxation (continued)

Company

	2020 £
At beginning of year	291,421
Charged to profit or loss	21,827
At end of year	313,248

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	131,344	208,843	313,248	317,918
Short term timing differences	-	(4,851)	-	-
Losses and other deductions	-	(26,497)	-	(26,497)
	131,344	177,495	313,248	291,421

22. Share capital

	2020 £	2019 £
Allotted and called up		
500,000 (2019 - 500,000) Ordinary shares of £1.00 each	500,000	500,000
250 (2019 - Nil) Ordinary B shares of £0.01 each	3	-
	500,003	500,000

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

On 3 December 2020 250 B Ordinary shares were issued, resulting in £2.50 of share capital and £9,997.50 of share premium. These shares have attached to them no voting rights and no right to receive a dividend. The B Ordinary shares have capital distribution rights only in the event of an 'Exit' as defined in the Articles of Association. They do not confer any rights of redemption.

£10,000 relating to Ordinary B shares is unpaid and included in called up share capital not paid within note 17.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

23. Reserves

The Group's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs

Profit and loss account

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

24. Analysis of net debt

	At 1 January 2020 £	Cash flows £	Other non- cash changes £	At 31 December 2020 £
Cash at bank and in hand	2,694,438	1,068,695	(8,605)	3,754,528
Finance leases	(3,080,189)	840,601	-	(2,239,588)
	<u>(385,751)</u>	<u>1,909,296</u>	<u>(8,605)</u>	<u>1,514,940</u>

25. Contingent liabilities

The Company is party to a composite arrangement with Parkside Property (Yorkshire) Limited, a company subject to common ownership. The total bank loan payable by Parkside Property (Yorkshire) Limited at 31 December 2020 amounted to £0.75m (2019 - £0.92m).

This agreement is due to expire in August 2023.

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £309,414 (2019 - £288,615). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the reporting date.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

27. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	815,133	890,258	626,951	615,930
Later than 1 year and not later than 5 years	2,347,746	3,454,494	2,336,852	2,290,609
Later than 5 years	7,243,666	7,993,347	7,243,666	7,786,307
	<u>10,406,545</u>	<u>12,338,099</u>	<u>10,207,469</u>	<u>10,692,846</u>

28. Related party transactions

The Company has taken advantage of the available exemption conferred by Section 33.1A of FRS102 not to disclose transactions with wholly owned members of the Group.

During the year, the Group made the following transactions with companies under common ownership:

	2020 £	2019 £
Amounts owed by related undertakings at the beginning of the year	279,323	207,323
Rental expenses	450,000	380,000
Payments	(729,323)	(308,000)
Amounts owed by related undertakings at the year end	<u>-</u>	<u>279,323</u>

Texo Estates Limited took ownership of a building used by Parkside Flexibles (Europe) Limited as a warehouse storage facility. Mark Nicholas Kennedy Aldridge is the sole director of Texo Estates Limited and is also a non-executive director of Parkside Flexibles (Europe) Limited. The building has subsequently been leased to Parkside Flexibles (Europe) Limited with rental charges in the year totalling £137,000 (2019 - £137,000).

The Group has service agreements with its parent company, Bushman Limited, totalling £3,277,518 for the year (2019 - £3,529,624). Amounts outstanding at the reporting date were £340,000 (2019 - £340,000) which are included in accruals and deferred income within note 18.

Key management personnel

Key management personnel include all directors of the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group.

Parkside Flexibles (Europe) Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

29. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking of the Company is Bushman Limited registered at One Cornet Street St Peter Port, Guernsey, GY1 1BZ.

No other group financial statements include the results of the Company.

The Company's ultimate controlling party is considered to be The Wren Settlement Trust, the sole shareholder of the ultimate parent company, Bushman Limited.