

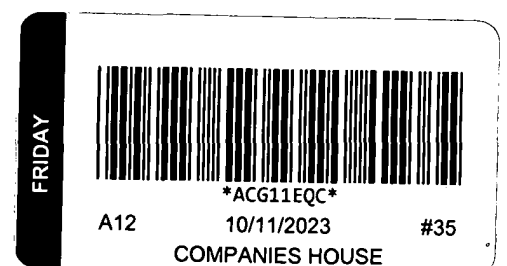
# **Parkside Flexibles (Europe) Limited**

Annual Report and Financial Statements

Year Ended

31 December 2022

Company Number 05325366



# Parkside Flexibles (Europe) Limited

## Company Information

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**Directors**

R S Adamson  
M N K Aldridge  
P M Birch  
P McKeown  
T E Hosking  
I Groundwell

**Company secretary**

T E Hosking

**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 2022

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The Directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2022.

### Principal activities

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

2022 showed a significant improvement in performance with turnover returning close to pre-pandemic levels. Our UK business performed well and ahead of expectation. We saw significant growth in our Speciality sector (Food and Pharmaceutical), this now representing over 50% of turnover for the first time.

With rising raw material costs, margin levels came under pressure and provided a challenge to maintain a level of return versus remaining competitive in the marketplace. Improving efficiencies and cost control in other areas mitigated this impact and with our commitment to providing great service overall profitability improved across the Group.

We have made significant capital investments in the year with the addition of both a new high specification 8 colour printing press and latest technology slitter. Both will help increase capacity levels and support the future growth of the business.

We continue to drive our sales strategy of new product development whilst building on our long-standing customer relationships.

Sustainable packaging solutions continue to be a key market driver and remain at the forefront of our sales strategy and planned sales growth. Consumer and brand awareness for sustainable packaging is showing no signs of abating and alternatives to plastics remain a very important, strategic part of our portfolio.

Home compostable solutions also remain a key part of our portfolio and we continue to be market leaders of this material and remain the only company globally to offer fully accredited home compostable triple barrier laminates certified by both TUV in Europe and ABA in Australia.

To further support our sustainable credentials Parkside, has worked with over 52 new customers to assist them in developing and launching their own sustainable packaging.

The unique dual sided Laser continues to remain an important and key area of growth. This again enables the consumers need for sustainable packaging. One area of clear success from the laser is it offers a fully re cyclable product under the OPRL re cycling scheme. This product type continues to see increased sales growth in both the UK and central Europe, particularly in relation to the fresh produce and food on the go sectors.

The Group continued to support the continuous improvement drive for increased standards in Environment, Health & Safety, Quality & Hygiene through investment in employee training, systems & process improvements and facility upgrades in both the UK and Asia sites, gaining renewed accreditations for ISO 9001, 14001 & 45001, BRCGS (AA rated), FSC, ISCC and IPPC.

# Parkside Flexibles (Europe) Limited

## Group Strategic Report (continued) For the Year Ended 31 December 2022

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### Going concern

The Directors have reviewed the going concern status of the Group. We note the challenges brought on by the fallout from the Covid-19 pandemic, the impact of the ongoing conflict between Russia and Ukraine as well as higher levels of inflation and interest rates. Several scenarios have been modelled through to the end of 2024 and plans developed to ensure any significant events can be managed appropriately. Directors assess that the going concern assumption remains appropriate at this time.

We continue to work in partnership and harness strong working relationships with our key customers. Development of innovative, quality products remain at the forefront of what we do, and order intake continues to improve further in our Speciality sector.

Current sales forecasts for 2023 remain in line with expectation.

Supply chain availability has started to improve and prices, whilst remaining higher than pre pandemic levels have, in many cases, plateaued. Our supply chain relationships remain strong and improved availability has meant internal stock levels have been reduced to more acceptable levels.

The strategy of margin improvement together, with lower stock levels will have a positive impact on cash balances. Our cost focus and control, in addition to several HP agreements ending in 2024 will see cash balances return towards pre pandemic levels by the end of 2024.

The Directors remain positive about the future prospects of the Group during this period and have been pleased with the improved performance of the Group since the start of 2023. The Directors see the value of having two sites globally to help mitigate macro economic risks.

### Key performance indicators

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

	2022	2021
EBITDA % on sales	2.7%	(0.3%)
Return on capital	(0.1%)	(11.3%)

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

Return on capital represents loss before tax/net assets.

# Parkside Flexibles (Europe) Limited

## Group Strategic Report (continued) For the Year Ended 31 December 2022

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### 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.
- Great people remain a vital asset to the business. We continue to invest at all levels to both retain and recruit the best talent. Our "Employer of Choice" approach has been a success and will be broadened further to support colleagues during these challenging times.

### Future developments

The Group will as part of its 5 year plan continue to invest further in all areas of the business with people, equipment and technology being key areas of focus. 2023 will see a drive to improve operational efficiency as well as investment in IT in order to continue our growth ambitions. These will support our sales strategy, enabling the further development of long term customer relationships as well as improvements in operational efficiency and capacity. The Group will use this platform and focus to further extend its geographical reach in delivering new innovation to new markets.

The importance of Environmental, Social and Governance (ESG) is recognised within the Group and is a focus area across the business. Our strategy on ESG supported our environmental accreditation as well as the setting of ambitious targets in order for us to further embed ESG and improve our carbon footprint across all aspects of our business.

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 10<sup>TH</sup> October 2023 and signed on its behalf.



**T E Hosking**  
Director

# Parkside Flexibles (Europe) Limited

## Directors' Report For the Year Ended 31 December 2022

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The Directors present their report and the audited financial statements for the year ended 31 December 2022.

### Results and dividends

The profit for the year, after taxation, amounted to £5,460 (2021 - loss £1,008,221).

No dividends (2021 - £Nil) were declared during the year.

### Directors

The Directors who served during the year were:

R S Adamson  
M N K Aldridge  
P M Birch  
R Grace (resigned 30 September 2022)  
T E Hosking (appointed 1 July 2022)  
I Groundwell (appointed 15 October 2022)

P McKeown was appointed on 9 January 2023, after the year end.

### Political donations

The Group did not make any political donations or incur any political expenditure during the year (2021 - £Nil).

### 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 2022

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### 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, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *10<sup>th</sup> October 2023* and signed on its behalf.



**T E Hosking**  
Director



# **Parkside Flexibles (Europe) Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2022**

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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 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 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.

# Parkside Flexibles (Europe) Limited

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

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### 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 2022 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 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, 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 are 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 or 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)

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### 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.

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 the 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)

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### 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:

- We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, legal correspondence, or confirmations (where relevant) and specific audit testing.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with Group management.
- We also considered potential fraud drivers, including: financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and key areas of estimation uncertainty or judgement.
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging assumptions made by management in their accounting estimates.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Vouching balances and reconciling items in management's key control account reconciliations to supporting documentation as at 31 December 2022; and carrying out detailed testing, on a sample basis, of material transactions, financial statements categories and balances to appropriate documentary evidence to verify the completeness, occurrence and accuracy of the reported statements.
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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: <https://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)

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### 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:

*Graham Driver*

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**Graham Driver** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds  
United Kingdom

10 October 2023

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 2022

	Note	2022 £	2021 £
Turnover	4	37,773,479	28,331,646
Cost of sales		(32,532,232)	(24,294,598)
<b>Gross profit</b>		<b>5,241,247</b>	<b>4,037,048</b>
Administrative expenses		(5,235,756)	(5,134,882)
Other operating income	5	-	155,840
<b>Operating profit/(loss)</b>	6	<b>5,491</b>	<b>(941,994)</b>
Interest payable and similar expenses	10	(100,825)	(110,460)
<b>Loss before taxation</b>		<b>(95,334)</b>	<b>(1,052,454)</b>
Tax on loss	11	100,794	44,233
<b>Profit/(loss) for the financial year</b>		<b>5,460</b>	<b>(1,008,221)</b>
Currency translation differences		177,163	1,796
<b>Other comprehensive income for the year</b>		<b>177,163</b>	<b>1,796</b>
<b>Total comprehensive income for the year</b>		<b>182,623</b>	<b>(1,006,425)</b>

The notes on pages 18 to 36 form part of these financial statements.

# Parkside Flexibles (Europe) Limited

Registered number:05325366

## Consolidated Statement of Financial Position As at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	12		<b>4,595,485</b>		3,586,603
<b>Current assets</b>					
Stocks	14	<b>3,824,628</b>		3,400,100	
Debtors	15	<b>7,818,596</b>		6,537,785	
Cash at bank and in hand		<b>401,277</b>		1,066,150	
		<b>12,044,501</b>		11,004,035	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	<b>(5,589,143)</b>		(4,463,995)	
<b>Net current assets</b>			<b>6,455,358</b>		6,540,040
<b>Total assets less current liabilities</b>			<b>11,050,843</b>		10,126,643
Creditors: amounts falling due after more than one year	17		<b>(1,407,039)</b>		(694,537)
<b>Provisions for liabilities</b>					
Deferred taxation	19		<b>(76,587)</b>		(47,512)
<b>Net assets</b>			<b>9,567,217</b>		9,384,594
<b>Capital and reserves</b>					
Called up share capital	20		<b>500,000</b>		500,000
Share premium account	21		<b>9,997</b>		9,997
Capital redemption reserve	21		<b>3</b>		3
Profit and loss account	21		<b>9,057,217</b>		8,874,594
<b>Total equity attributable to the owners of the parent company</b>			<b>9,567,217</b>		9,384,594

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



**T E Hosking**  
Director

*10<sup>th</sup> October 2023*

The notes on pages 18 to 36 form part of these financial statements.

# Parkside Flexibles (Europe) Limited

Registered number:05325366

## Company Statement of Financial Position As at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	12		4,397,524		3,289,830
Investments	13		178,000		178,000
			<u>4,575,524</u>		<u>3,467,830</u>
<b>Current assets</b>					
Stocks	14	2,592,752		2,162,139	
Debtors falling due within one year	15	4,518,429		4,104,313	
Cash at bank and in hand		201,792		646,131	
		<u>7,312,973</u>		<u>6,912,583</u>	
<b>Current liabilities</b>					
Creditors falling due within one year	16	(4,155,035)		(3,306,283)	
<b>Net current assets</b>			<u>3,157,938</u>		<u>3,606,300</u>
<b>Total assets less current liabilities</b>			<u>7,733,462</u>		<u>7,074,130</u>
Creditors falling due after more than one year	17		(1,407,039)		(694,537)
<b>Provisions for liabilities</b>					
Deferred taxation	19		(216,534)		(163,059)
<b>Net assets</b>			<u><u>6,109,889</u></u>		<u><u>6,216,534</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		500,000		500,000
Share premium account	21		9,997		9,997
Capital redemption reserve	21		3		3
Profit and loss account	21		5,599,889		5,706,534
<b>Total equity attributable to the owners of the parent company</b>			<u><u>6,109,889</u></u>		<u><u>6,216,534</u></u>

The Company made a loss in the year of £106,645 (2022 - loss of £1,036,207).

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

T E Hosking  
Director



10<sup>th</sup> October 2023

The notes on pages 18 to 36 form part of these financial statements.



# Parkside Flexibles (Europe) Limited

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	500,000	9,997	3	8,874,594	9,384,594
<b>Comprehensive loss for the year</b>					
Profit for the year	-	-	-	5,460	5,460
Currency translation differences	-	-	-	177,163	177,163
<b>Other comprehensive income for the year</b>	-	-	-	177,163	177,163
<b>Total comprehensive loss for the year</b>	-	-	-	182,623	182,623
<b>At 31 December 2022</b>	<b>500,000</b>	<b>9,997</b>	<b>3</b>	<b>9,057,217</b>	<b>9,567,217</b>

The notes on pages 18 to 36 form part of these financial statements.

# Parkside Flexibles (Europe) Limited

## Consolidated Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	500,003	9,997	-	9,891,019	10,401,019
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(1,008,221)	(1,008,221)
Currency translation differences	-	-	-	1,796	1,796
<b>Other comprehensive income for the year</b>	-	-	-	1,796	1,796
<b>Total comprehensive loss for the year</b>	-	-	-	(1,006,425)	(1,006,425)
<b>Contributions by and distributions to owners</b>					
Purchase of own shares	(3)	-	-	(9,997)	(10,000)
Transfer to capital redemption reserve	-	-	3	(3)	-
<b>Total transactions with owners</b>	(3)	-	3	(10,000)	(10,000)
<b>At 31 December 2021</b>	<b>500,000</b>	<b>9,997</b>	<b>3</b>	<b>8,874,594</b>	<b>9,384,594</b>

The notes on pages 18 to 36 form part of these financial statements.

# Parkside Flexibles (Europe) Limited

## Company Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	500,000	9,997	3	5,706,534	6,216,534
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(106,645)	(106,645)
<b>Total comprehensive loss for the year</b>	-	-	-	(106,645)	(106,645)
<b>At 31 December 2022</b>	<b>500,000</b>	<b>9,997</b>	<b>3</b>	<b>5,599,889</b>	<b>6,109,889</b>

## Company Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	500,003	9,997	-	6,752,741	7,262,741
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(1,036,207)	(1,036,207)
<b>Total comprehensive loss for the year</b>	-	-	-	(1,036,207)	(1,036,207)
<b>Contributions by and distributions to owners</b>					
Purchase of own shares	(3)	-	-	(9,997)	(10,000)
Transfer to capital redemption reserve	-	-	3	(3)	-
<b>Total transactions with owners</b>	<b>(3)</b>	<b>-</b>	<b>3</b>	<b>(10,000)</b>	<b>(10,000)</b>
<b>At 31 December 2021</b>	<b>500,000</b>	<b>9,997</b>	<b>3</b>	<b>5,706,534</b>	<b>6,216,534</b>

The notes on pages 18 to 36 form part of these financial statements.

# Parkside Flexibles (Europe) Limited

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	5,460	(1,008,221)
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,062,725	1,122,607
Interest payable	100,825	110,460
Taxation credit	(100,794)	(44,233)
Increase in stocks	(424,528)	(408,738)
Increase in debtors	(972,937)	(1,386,798)
Increase in creditors	984,546	219,900
Corporation tax paid	(150,673)	(114,306)
Repurchase of own shares	-	(9,997)
<b>Net cash generated from/(used in) operating activities</b>	<b>504,624</b>	<b>(1,519,326)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(396,212)	(27,953)
<b>Net cash used in investing activities</b>	<b>(396,212)</b>	<b>(27,953)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(718,379)	(845,544)
Interest paid	(100,825)	(110,460)
<b>Net cash used in financing activities</b>	<b>(819,204)</b>	<b>(956,004)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(710,792)</b>	<b>(2,503,283)</b>
Cash and cash equivalents at beginning of year	1,066,150	3,754,528
Foreign exchange gains and losses	45,919	(185,095)
<b>Cash and cash equivalents at the end of year</b>	<b>401,277</b>	<b>1,066,150</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	401,277	1,066,150

The notes on 18 to 36 form part of these financial statements.

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 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 2022

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### 2. Accounting policies (continued)

#### 2.4 Going concern

The Directors have reviewed the going concern status of the Group. Despite the challenges brought on by the fallout from the Covid-19 pandemic, the impact of the ongoing conflict between Russia and Ukraine as well as higher levels of inflation and interest rates, the Directors assess that the going concern assumption remains appropriate at this time.

We continue to work in partnership and harness strong working relationships with our key customers. Development of innovative, quality products remain at the forefront of what we do, and order intake continues to improve further in our Speciality sector.

Current sales forecasts for 2023 remain in line with expectation.

Supply chain availability has started to improve and prices, whilst remaining higher than pre pandemic levels have, in many cases, plateaued. Our supply chain relationships remain strong and improved availability has meant internal stock levels have been reduced to more acceptable levels.

The strategy of margin improvement together, with lower stock levels will have a positive impact on cash balances. Our cost focus and control, in addition to several HP agreements ending in 2024 will see cash balances return towards pre pandemic levels by the end of 2024.

The Directors remain positive about the future prospects of the Group during this period and have been pleased with the improved performance of the Group since the start of 2023. The Directors see the value of having two sites globally to help mitigate macro economic risks.

#### 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.

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 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.

#### 2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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 Finance costs

Finance costs are charged to profit or loss 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.

#### 2.11 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 profit or loss 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 2022

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### 2. Accounting policies (continued)

#### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

#### 2.13 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 profit or loss.



# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.15 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.

#### 2.16 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 2022

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### 2. Accounting policies (continued)

#### 2.17 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.

### 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

- Stock (see note 14)

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.

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 4. Turnover

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

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	11,126,726	8,107,682
Rest of Europe	6,107,642	5,304,166
Rest of the world	20,539,111	14,919,798
	<b>37,773,479</b>	<b>28,331,646</b>

### 5. Other operating income for furloughed employees

	2022 £	2021 £
Government grants receivable for furloughed employees	-	155,840

### 6. Operating profit/(loss)

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

	2022 £	2021 £
Depreciation on tangible fixed assets	1,062,725	1,122,608
Operating lease rentals	682,042	603,306
Foreign exchange (gains)/losses	(51,949)	308,847

### 7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	58,500	49,875
<b>Fees payable to the Group's auditor in respect of:</b>		
Audit of financial statements of subsidiaries pursuant to legislation	18,730	18,550
Other services relating to taxation	34,878	29,468
Other assurance services	2,537	5,150
	<b>56,145</b>	<b>53,168</b>

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 8. Employees

Staff costs were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	5,012,062	4,445,570	4,455,079	3,889,659
Social security costs	506,796	403,863	499,528	396,992
Cost of defined contribution scheme	440,532	344,918	367,700	268,010
	<u>5,959,390</u>	<u>5,194,351</u>	<u>5,322,307</u>	<u>4,554,661</u>

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

	Group 2022	Group 2021	Company 2022	Company 2021
Manufacturing	132	123	100	90
Administration	39	40	27	26
Selling	6	5	5	4
	<u>177</u>	<u>168</u>	<u>132</u>	<u>120</u>

### 9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	351,101	347,830
Company contributions to defined contribution pension schemes	28,699	33,896
	<u>379,800</u>	<u>381,726</u>

During the year retirement benefits were accruing to 5 Directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £134,000 (2021 - £123,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £12,000 (2021 - £12,000).

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	-	9,966
Finance leases and hire purchase contracts	100,825	100,494
	<u>100,825</u>	<u>110,460</u>

### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on loss for the year	-	-
Adjustments in respect of prior periods	(176,962)	60,866
	<u>(176,962)</u>	<u>60,866</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	61,705	34,172
Foreign tax in respect of prior periods	(19,473)	(48,878)
	<u>42,232</u>	<u>(14,706)</u>
<b>Total current tax</b>	<u>(134,730)</u>	<u>46,160</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(58,574)	(195,318)
Adjustments in respect of prior periods	92,510	21,813
Effect of changes in tax rates	-	83,112
	<u>33,936</u>	<u>(90,393)</u>
<b>Taxation on loss</b>	<u>(100,794)</u>	<u>(44,233)</u>

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 11. Taxation (continued)

#### Factors affecting tax credit for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss before tax	<u>(95,334)</u>	<u>(1,052,454)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(18,113)	(199,966)
<b>Effects of:</b>		
Fixed asset timing differences	(107,717)	5,362
Expenses not deductible for tax purposes	15,325	52,611
Adjustments to tax in respect of prior periods	(196,435)	(26,839)
Adjustments to tax in respect of prior periods - deferred tax	92,510	21,813
Remeasurement of deferred tax for changes in tax rates	(12,515)	39,134
Foreign tax rate differences	11,515	4,603
R&D expenditure credits	(837)	-
Additional deduction for R&D expenditure under SME scheme	(55,932)	-
Surrender of tax losses for SME R&D tax credit refund	98,957	-
Other permanent differences	-	(9,454)
Group relief surrendered	69,129	68,503
Other differences leading to an increase in the tax charge	3,319	-
<b>Total tax credit for the year</b>	<u><u>(100,794)</u></u>	<u><u>(44,233)</u></u>

#### Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced in the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at the year end has been calculated based on the rate as at the year end date.

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 12. Tangible fixed assets

#### Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles and fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2022	1,178,963	13,287,444	473,049	14,939,456
Additions	-	1,967,695	-	1,967,695
Disposals	-	(1,333,276)	-	(1,333,276)
Exchange adjustments	27,920	49,797	(10,994)	66,723
At 31 December 2022	1,206,883	13,971,660	462,055	15,640,598
<b>Depreciation</b>				
At 1 January 2022	909,246	9,978,577	465,030	11,352,853
Charge for the year	41,163	1,008,713	12,849	1,062,725
Disposals	-	(1,333,276)	-	(1,333,276)
Exchange adjustments	61,253	(44,543)	(53,899)	(37,189)
At 31 December 2022	1,011,662	9,609,471	423,980	11,045,113
<b>Net book value</b>				
At 31 December 2022	195,221	4,362,189	38,075	4,595,485
At 31 December 2021	269,717	3,308,867	8,019	3,586,603

Included in plant and machinery are assets held under finance lease obligations with net book value £3,947,961 (2021 - £2,723,050). Depreciation charged during the year in respect of these assets was £655,509 (2021 - £624,169).

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 12. Tangible fixed assets (continued)

#### Company

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2022	420,282	10,436,848	337,645	11,194,775
Additions	-	1,967,695	-	1,967,695
Disposals	-	(1,333,276)	-	(1,333,276)
At 31 December 2022	420,282	11,071,267	337,645	11,829,194
<b>Depreciation</b>				
At 1 January 2022	219,910	7,347,390	337,645	7,904,945
Charge for the year	30,461	829,540	-	860,001
Disposals	-	(1,333,276)	-	(1,333,276)
At 31 December 2022	250,371	6,843,654	337,645	7,431,670
<b>Net book value</b>				
At 31 December 2022	169,911	4,227,613	-	4,397,524
At 31 December 2021	200,372	3,089,458	-	3,289,830

Included in plant and machinery are assets held under finance lease obligations with net book value £3,947,961 (2021 - £2,723,050).



# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 13. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost and net book value</b>	
At 1 January 2022	178,000
At 31 December 2022	<u>178,000</u>

#### Subsidiary undertaking

The following was a 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%

### 14. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials and consumables	2,279,618	1,812,222	1,648,039	1,232,571
Work in progress	579,262	642,657	189,127	262,523
Finished goods and goods for resale	965,748	945,221	755,586	667,045
	<u>3,824,628</u>	<u>3,400,100</u>	<u>2,592,752</u>	<u>2,162,139</u>

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

The impairment charge recognised in profit or loss in the year in respect of slow-moving or obsolete stock was £44,824 (2021 - £142,870).

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	6,924,701	5,651,583	3,678,227	2,889,758
Amounts owed by group undertakings	-	-	381,074	693,099
Other debtors	142,566	400,552	-	278,828
Prepayments and accrued income	371,105	385,968	262,650	242,628
Tax recoverable	380,224	99,682	196,478	-
	<b>7,818,596</b>	<b>6,537,785</b>	<b>4,518,429</b>	<b>4,104,313</b>

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 (2021 - £Nil).

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	66,960	-	66,960	-
Trade creditors	3,095,595	2,201,276	1,782,126	1,106,688
Other taxation and social security	275,604	155,475	257,329	135,064
Corporation tax	-	-	-	120,340
Obligations under finance lease and hire purchase contracts	773,149	699,507	773,149	699,507
Other creditors	197,339	81,526	197,337	81,526
Accruals and deferred income	1,180,496	1,326,211	1,078,134	1,163,158
	<b>5,589,143</b>	<b>4,463,995</b>	<b>4,155,035</b>	<b>3,306,283</b>

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Net obligations under finance leases and hire purchase contracts	<u>1,407,039</u>	<u>694,537</u>	<u>1,407,039</u>	<u>694,537</u>

### 18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Within one year	773,149	699,507	773,148	699,507
Between 1-5 years	750,705	694,537	750,706	694,537
Over 5 years	656,334	-	656,334	-
	<u>2,180,188</u>	<u>1,394,044</u>	<u>2,180,188</u>	<u>1,394,044</u>

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

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 19. Deferred taxation

#### Group

	2022 £
At beginning of year	47,512
Tax credit to profit or loss	33,936
Exchange rate differences	4,861
<b>At end of year</b>	<b>76,587</b>

#### Company

	2022 £
At beginning of year	163,059
Charged to profit or loss	53,475
<b>At end of year</b>	<b>216,534</b>

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Fixed asset timing differences	539,515	201,416	679,462	316,963
Short-term timing differences	(9,792)	-	(9,792)	-
Losses and other deductions	(453,136)	(153,904)	(453,136)	(153,904)
	<b>76,587</b>	47,512	<b>216,534</b>	163,059

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 20. Share capital

	2022 £	2021 £
<b>Allotted and called up</b>		
500,000 (2021 - 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>

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

250 Ordinary B shares were repurchased and subsequently cancelled during the prior year.

### 21. 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.

#### Capital redemption reserve

The capital redemption reserve account represents the repurchase of shares at nominal value.

#### Profit and loss account

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

### 22. Analysis of net debt

	At 1 January 2022 £	Cash flows £	New finance leases £	Foreign exchange £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	1,066,150	(710,792)	-	45,919	-	401,277
Debt due within 1 year	-	-	-	-	(66,960)	(66,960)
Finance leases	(1,394,044)	718,379	(1,504,523)	-	-	(2,180,188)
	<u>(327,894)</u>	<u>7,587</u>	<u>(1,504,523)</u>	<u>45,919</u>	<u>(66,960)</u>	<u>(1,845,871)</u>

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 23. 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 2022 amounted to £0.22m (2021 - £0.50m).

The agreement was due to expire in August 2023. However, this was fully repaid in January 2023.

### 24. 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 £440,532 (2021 - £344,918). Contributions totalling £41,184 (2021 - £36,564) were payable to the fund at the reporting date.

### 25. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Not later than 1 year	<b>841,778</b>	834,537	<b>656,993</b>	651,269
Later than 1 year and not later than 5 years	<b>2,198,146</b>	2,278,639	<b>2,198,146</b>	2,273,970
Later than 5 years	<b>6,208,056</b>	6,726,666	<b>6,208,056</b>	6,726,666
	<b>9,247,980</b>	9,839,842	<b>9,063,195</b>	9,651,905

# Parkside Flexibles (Europe) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 26. 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:

	2022 £	2021 £
Amounts owed by related undertakings at the beginning of the year	-	-
Rental expenses	380,000	380,000
Payments	(380,000)	(380,000)
	<u>-</u>	<u>-</u>

Texo Estates Limited maintain 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 (2021 - £137,000).

The Group has service agreements with its parent company, Bushman Limited, totalling £2,110,485 for the year (2021 - £2,562,561). Amounts outstanding at the reporting date were £340,000 (2021 - £340,000) which are included in accruals and deferred income within note 16.

### 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.

### 27. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking of the Company is Bushman Limited registered at Ground Floor, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ.

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.