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PAPERPAK LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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PAPERPAK LIMITED

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for the year ended 31 December 2020**

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PAPERPAK LIMITED
COMPANY INFORMATION
for the year ended 31 December 2020

DIRECTORS:

B.G. McInnes
M-B. Ashe
G.J. Ashe
A.J. Fay

SECRETARY:

M-B. Ashe

REGISTERED OFFICE:

186 Torrington Avenue
Tile Hill
Coventry
CV4 9AJ

REGISTERED NUMBER:

07699232 (England and Wales)

AUDITORS:

Dafferns LLP
Chartered Accountants
Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

BANKERS:

Lloyds Bank Plc
125 Colmore Row
Birmingham
B3 3SD

PAPERPAK LIMITED

**REPORT OF THE DIRECTORS
for the year ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

B.G. McInnes
M-B. Ashe
G.J. Ashe
A.J. Fay

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



M-B. Ashe - Director

Date: 29 April 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PAPERPAK LIMITED

Opinion

We have audited the financial statements of Paperpak Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PAPERPAK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PAPERPAK LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Cox BA FCA (Senior Statutory Auditor)
for and on behalf of Dafferns LLP
Chartered Accountants
Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 29 April 2021

PAPERPAK LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	250,000	399,281	649,281
Changes in equity			
Dividends paid	-	(190,000)	(190,000)
Total comprehensive income	-	<u>250,241</u>	<u>250,241</u>
Balance at 31 December 2019	<u>250,000</u>	<u>459,522</u>	<u>709,522</u>
Changes in equity			
Dividends paid	-	(230,000)	(230,000)
Total comprehensive income	-	<u>239,250</u>	<u>239,250</u>
Balance at 31 December 2020	<u>250,000</u>	<u>468,772</u>	<u>718,772</u>

The notes form part of these financial statements

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PAPERPAK LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Cox BA FCA (Senior Statutory Auditor)
for and on behalf of Dafferns LLP
Chartered Accountants
Statutory Auditor
One Eastwood
Harry Weston Road
Binley Business Park
Coventry
CV3 2UB

Date: 29 April 2021

PAPERPAK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER		5,309,292	7,367,782
Cost of sales		<u>(4,389,882)</u>	<u>(6,107,978)</u>
GROSS PROFIT		919,410	1,259,804
Administrative expenses		<u>(624,018)</u>	<u>(950,978)</u>
OPERATING PROFIT		295,392	308,826
Interest receivable and similar income		<u>-</u>	<u>91</u>
PROFIT BEFORE TAXATION		295,392	308,917
Tax on profit		<u>(56,142)</u>	<u>(58,676)</u>
PROFIT FOR THE FINANCIAL YEAR		239,250	250,241
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>239,250</u>	<u>250,241</u>

The notes form part of these financial statements

PAPERPAK LIMITED (REGISTERED NUMBER: 07699232)

**BALANCE SHEET
31 December 2020**

	Notes	2020 £	2019 £
CURRENT ASSETS			
Debtors	6	2,689,533	2,412,937
Cash at bank		<u>86,837</u>	<u>79,030</u>
		2,776,370	2,491,967
CREDITORS			
Amounts falling due within one year	7	<u>(2,057,598)</u>	<u>(1,782,445)</u>
NET CURRENT ASSETS		<u>718,772</u>	<u>709,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>718,772</u>	<u>709,522</u>
CAPITAL AND RESERVES			
Called up share capital	8	250,000	250,000
Retained earnings		<u>468,772</u>	<u>459,522</u>
SHAREHOLDERS' FUNDS		<u>718,772</u>	<u>709,522</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2021 and were signed on its behalf by:



M-B. Ashe - Director

PAPERPAK LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	250,000	399,281	649,281
Changes in equity			
Dividends paid	-	(190,000)	(190,000)
Total comprehensive income	<u>-</u>	<u>250,241</u>	<u>250,241</u>
Balance at 31 December 2019	<u>250,000</u>	<u>459,522</u>	<u>709,522</u>
Changes in equity			
Dividends paid	-	(230,000)	(230,000)
Total comprehensive income	<u>-</u>	<u>239,250</u>	<u>239,250</u>
Balance at 31 December 2020	<u><u>250,000</u></u>	<u><u>468,772</u></u>	<u><u>718,772</u></u>

The notes form part of these financial statements

PAPERPAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover reflects revenue from the rendering of services and is recognised in the period in which services are delivered.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Pension costs and other post-retirement benefits

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

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction value. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

PAPERPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020**

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2019 - 2).

5. DIVIDENDS PAID

	2020 £	2019 £
Ordinary shares of £1 each		
Interim	<u>230,000</u>	<u>190,000</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	-	1,204,922
Amounts owed by group undertakings	2,621,349	1,205,275
Other debtors	28,816	-
Tax	36,228	-
Prepayments	<u>3,140</u>	<u>2,740</u>
	<u>2,689,533</u>	<u>2,412,937</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	34,560	72,069
Amounts owed to group undertakings	2,015,683	1,453,004
Tax	-	2,775
Social security and other taxes	-	249,286
Accruals and deferred income	<u>7,355</u>	<u>5,311</u>
	<u>2,057,598</u>	<u>1,782,445</u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
250,000	Ordinary	£1	<u>250,000</u>	<u>250,000</u>

9. RELATED PARTY DISCLOSURES

Related party transactions with fellow subsidiaries and holding company have not been disclosed as the company is a wholly-owned subsidiary and is included within the consolidated accounts of the group.

10. ULTIMATE CONTROLLING PARTY

The Company is a wholly-owned subsidiary of Kite Packaging Group Limited (KPG) and its ultimate parent company is Kite Packaging Group Holdings Limited (KPGH).

The registered office and principal place of business of KPG and KPGH is 186 Torrington Avenue, Tile Hill, Coventry, West Midlands, UK, CV4 9AJ.