

CASTLE CARTONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



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CASTLE CARTONS LIMITED

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CASTLE CARTONS LIMITED
REGISTERED NUMBER:00969956

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	As restated 2015 £
Fixed assets			
Tangible assets	4	886,674	720,871
		<u>886,674</u>	<u>720,871</u>
Current assets			
Stocks	5	52,583	45,782
Debtors: amounts falling due within one year	6	1,098,802	980,686
Cash at bank and in hand		55,767	40,211
		<u>1,207,152</u>	<u>1,066,679</u>
Creditors: amounts falling due within one year	7	(584,982)	(530,382)
Net current assets		<u>622,170</u>	<u>536,297</u>
Total assets less current liabilities		<u>1,508,844</u>	<u>1,257,168</u>
Creditors: amounts falling due after more than one year	8	(358,307)	(215,306)
Provisions for liabilities			
Deferred tax	9	(105,000)	(70,000)
		<u>(105,000)</u>	<u>(70,000)</u>
Net assets		<u>1,045,537</u>	<u>971,862</u>
Capital and reserves			
Called up share capital		50,000	50,000
Profit and loss account		995,537	921,862
		<u>1,045,537</u>	<u>971,862</u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 April 2017.



Mr J. Green
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Castle Cartons Limited (the Company) is a private company limited by shares incorporated and domiciled in England. The address of its registered office is 96 - 116 Kings Road, Kings Heath, Birmingham, B14 6TN, which is also the address of its principal place of business.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)**2.3 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	-	10%
Motor vehicles	-	25%
Furniture & fittings	-	15%
Office equipment	-	25%

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 Statement of income and retained earnings.

2.4 Investment property

Investment property is carried at fair value determined annually by the director and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.5 Stocks

At each balance sheet 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 Statement of comprehensive income.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.9 Creditors

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

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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 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.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 23 (2015 - 22).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. Tangible fixed assets

	Investment property £	Plant & machinery £	Motor vehicles £	Furniture, fittings & office equipment £	Total £
Cost or valuation					
At 1 January 2016	129,811	1,310,903	275,022	227,487	1,943,223
Additions	-	300,873	-	5,567	306,440
Disposals	-	(55,000)	(98,641)	-	(153,641)
At 31 December 2016	<u>129,811</u>	<u>1,556,776</u>	<u>176,381</u>	<u>233,054</u>	<u>2,096,022</u>
Depreciation					
At 1 January 2016	-	824,548	196,126	201,678	1,222,352
Charge for the period on owned assets	-	26,751	7,763	6,305	40,819
Charge for the period on financed assets	-	51,972	-	-	51,972
Disposals	-	(55,000)	(50,797)	-	(105,797)
At 31 December 2016	<u>-</u>	<u>848,271</u>	<u>153,092</u>	<u>207,983</u>	<u>1,209,346</u>
Net book value					
At 31 December 2016	<u>129,811</u>	<u>708,505</u>	<u>23,289</u>	<u>25,071</u>	<u>886,676</u>
At 31 December 2015	<u>129,811</u>	<u>486,355</u>	<u>78,896</u>	<u>25,809</u>	<u>720,871</u>

5. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>52,583</u>	<u>45,782</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Debtors

	2016 £	As restated 2015 £
Trade debtors	464,164	449,135
Amounts owed by group undertakings	597,588	507,588
Other debtors	5,417	-
Prepayments and accrued income	31,633	23,963
	<u>1,098,802</u>	<u>980,686</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	53,802
Bank loans-secured	5,284	5,284
Trade creditors	421,114	325,814
Corporation tax	-	27,754
Other taxation and social security	43,121	39,336
Obligations under finance lease and hire purchase contracts-secured	82,320	56,763
Other creditors	15,329	10,815
Accruals and deferred income	17,814	10,814
	<u>584,982</u>	<u>530,382</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans-secured	73,216	78,753
Net obligations under finance leases and hire purchase contracts-secured	161,575	43,473
Other creditors	37,500	57,000
Accruals and deferred income	86,016	36,080
	<u>358,307</u>	<u>215,306</u>

Secured loans

The bank loans are secured by a fixed and floating charge over the assets of the company.

Net obligations under finance lease and hire purchase contracts are secured over the asset to which the contract relates.

9. Deferred taxation

	2016 £
At beginning of year	(70,000)
Charged to profit or loss	(35,000)
At end of year	<u><u>(105,000)</u></u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	<u><u>(105,000)</u></u>

10. Prior year adjustment

Debtors in 2015 of £507,588 have been reanalysed from owed in more than one year to owed in less than one year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,357 (2015: £2,408). Contributions totalling £Nil (2015: £Nil) were payable to the fund at the balance sheet date.

12. Related party transactions

The company has taken advantage of the exemption in FRS 102 (section 33) Related Party Disclosure not to disclose transactions with other members of the group.

13. Ultimate parent undertaking

The ultimate parent company is Castle Cartons (2011) Limited, a company registered in England and Wales. The address of its registered office is 96 - 116 Kings Road, Kings Heath, Birmingham, B14 6TN.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.