

**FLEXIBLE MEDICAL PACKAGING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



**MHA MacIntyre Hudson**  
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	S L Farbrother C Goodall S J Shaw D G Bytheway (appointed 1 September 2015)
<b>COMPANY SECRETARY</b>	S Bryden
<b>REGISTERED NUMBER</b>	01022136
<b>REGISTERED OFFICE</b>	Cavell House Knives Beech Way High Wycombe Buckinghamshire HP10 9QY
<b>INDEPENDENT AUDITORS</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Abbey Place 24-28 Easton Street High Wycombe Buckinghamshire HP11 1NT
<b>BANKERS</b>	Barclays Bank plc 16 High Street High Wycombe Buckinghamshire HP11 2BG

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Independent Auditors' Report</b>	<b>4 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 21</b>

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**BUSINESS REVIEW**

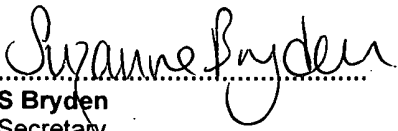
The business strategy for 2015 was focused on developing sales growth, while reducing marginal business to improve gross margin. The market remained competitive, but growth was seen in most of the company's portfolio of products. Being well positioned by new product development, and focusing on improving margins, continuing growth in both sales and profit is anticipated in 2016.

The business achieved slightly above the total sales and profit targets in 2015, and compared to the previous year the company achieved sales growth of 4.6% and operating profit growth of 3.9%. This growth was achieved through the combined stratagems of aggressive pricing on existing business, strategic withdrawal from low margin business, and improved control of direct costs.

The benefits accrued during 2015 will continue through 2016. In addition, new opportunities for significant sales expansion commencing in Q4, 2015 have been identified. Preparation for this will incur costs in 2016, due to disruption in manufacturing and organisational restructuring, but the business nevertheless expects to achieve its budgeted targets.

The company employs the equivalent of 117 full time staff (2014 – 102).

This report was approved by the board on 15 April 2016 and signed on its behalf.

  
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**S Bryden**  
Secretary

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## **FLEXIBLE MEDICAL PACKAGING LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the financial statements for the year ended 31 December 2015.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,194,527 (2014 - £1,153,006).

Particulars of dividends paid are detailed in the Statement of Changes in Equity.

#### **DIRECTORS**

The directors who served during the year were:

S L Farbrother  
C Goodall  
S J Shaw  
D G Bytheway (appointed 1 September 2015)

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year and since the year end.

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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's auditors are aware of that information.

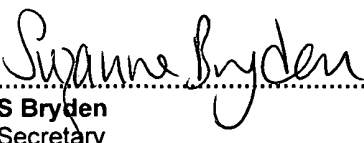
**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the company since the year end.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 15 April 2016 and signed on its behalf.

  
.....  
**S Bryden**  
Secretary

Cavell House  
Knives Beech Way  
High Wycombe  
Buckinghamshire  
HP10 9QY

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBLE MEDICAL PACKAGING LIMITED**

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We have audited the financial statements of Flexible Medical Packaging Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion 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 directors' report has been prepared in accordance with applicable legal requirements.

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXIBLE MEDICAL PACKAGING LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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.

*MHA MacIntyre Hudson*

KATHARINE ARNOTT FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 15 April 2016



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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Note	2015 £	2014 £
<b>PROFIT AND LOSS ACCOUNT</b>			
Turnover	1,3	10,673,832	10,200,530
Cost of sales		(7,483,558)	(7,141,023)
<b>Gross profit</b>		<b>3,190,274</b>	<b>3,059,507</b>
Distribution costs		(817,474)	(779,966)
Administrative expenses		(844,731)	(809,360)
<b>Operating profit</b>	4	<b>1,528,069</b>	<b>1,470,181</b>
Interest payable and expenses		-	(175)
<b>Profit before tax</b>		<b>1,528,069</b>	<b>1,470,006</b>
Tax on profit	7	(333,542)	(317,000)
<b>Profit for the year</b>		<b>1,194,527</b>	<b>1,153,006</b>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1,194,527</b>	<b>1,153,006</b>

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 9 to 21 form part of these financial statements.

**FLEXIBLE MEDICAL PACKAGING LIMITED**  
**REGISTERED NUMBER:01022136**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	8	924,790	825,406
		<u>924,790</u>	<u>825,406</u>
<b>Current assets</b>			
Stocks	9	1,652,439	1,354,525
Debtors: amounts falling due within one year	10	1,444,020	1,692,947
Cash at bank and in hand		381,172	514,251
		<u>3,477,631</u>	<u>3,561,723</u>
Creditors: amounts falling due within one year	11	(2,000,819)	(1,968,054)
<b>Net current assets</b>		<u>1,476,812</u>	<u>1,593,669</u>
<b>Total assets less current liabilities</b>		<u>2,401,602</u>	<u>2,419,075</u>
<b>Provisions for liabilities</b>			
Deferred tax	12	(34,500)	(46,500)
		<u>(34,500)</u>	<u>(46,500)</u>
<b>Net assets</b>		<u><u>2,367,102</u></u>	<u><u>2,372,575</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	1,261,075	1,261,075
Profit and loss account	14	1,106,027	1,111,500
		<u><u>2,367,102</u></u>	<u><u>2,372,575</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2016.

  
 .....  
**S L Farbrother**  
 Director

The notes on pages 9 to 21 form part of these financial statements.

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2015**

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	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1,261,075	1,111,500	2,372,575
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,194,527	1,194,527
<b>Total comprehensive income for the year</b>	-	1,194,527	1,194,527
<b>Contributions by and distributions to owners</b>			
Dividends: equity capital	-	(1,200,000)	(1,200,000)
<b>Total transactions with owners</b>	-	(1,200,000)	(1,200,000)
<b>At 31 December 2015</b>	<b>1,261,075</b>	<b>1,106,027</b>	<b>2,367,102</b>

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2014**

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	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	1,261,075	1,458,494	2,719,569
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,153,006	1,153,006
<b>Total comprehensive income for the year</b>	-	1,153,006	1,153,006
<b>Contributions by and distributions to owners</b>			
Dividends: equity capital	-	(1,500,000)	(1,500,000)
<b>Total transactions with owners</b>	-	(1,500,000)	(1,500,000)
<b>At 31 December 2014</b>	<b>1,261,075</b>	<b>1,111,500</b>	<b>2,372,575</b>

The notes on pages 9 to 21 form part of these financial statements.

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## **FLEXIBLE MEDICAL PACKAGING LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Company information**

Flexible Medical Packaging Limited is a limited company incorporated in England and Wales, registration number 01022136. The address of its principal place of business is Unit 8, White Cross Industrial Estate, South Road, Lancaster, LA1 4XS, United Kingdom.

The principal activity of the company is manufacturing flexible medical packaging materials, including products for related companies, and in providing contract packaging services to the healthcare market.

##### **1.2 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### **1.3 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CliniMed (Holdings) Limited for the year ended 31 December 2015 which may be obtained from Companies House.

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## **FLEXIBLE MEDICAL PACKAGING LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### **Sale of goods**

Turnover 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 turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **1.5 Tangible fixed assets**

Tangible fixed assets 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.

The company adds to the carrying amount of each fixed asset the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is written off. Repairs and maintenance are charged to the Profit and Loss Account during the period in which they are incurred.

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.

The estimated useful lives range as follows:

Leasehold property	-	over the remaining term of the lease
Plant and machinery	-	3-10 years
Motor vehicles	-	3-4 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted accordingly 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 Comprehensive Income.

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)****1.6 Operating leases: lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease period.

**1.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, net realisable value being the estimated selling price (less trade discounts), less further costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. No element of profit is included in the valuation of work in progress.

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 profit or loss.

**1.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**1.9 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.

**1.10 Creditors**

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

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)****1.11 Foreign currency translation****Functional and presentation currency**

The company's functional and presentational currency is Pounds Sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot 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 Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account.

**1.12 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.

**1.13 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 Profit and Loss Account 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.

**1.14 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)****1.15 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 Profit and Loss Account 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.

**1.16 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change 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 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Management has made judgements as to the extent of any need for a dilapidations provision in respect of leased property wear and tear or reinstatement costs.

A provision is not considered necessary in respect of wear and tear as the premises are maintained to a high standard.

Management has considered the nature of the work carried out by the company on its leased premises and estimated the extent to which reinstatement work will be necessary at the end of the lease. In management's opinion, the amount of reinstatement work is not likely to be material. Accordingly, no provision for dilapidations has been recognised at the year-end.

There are no key sources of estimation uncertainty.

**3. ANALYSIS OF TURNOVER**

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	10,658,362	10,163,891
Rest of Europe	15,470	36,639
	<u>10,673,832</u>	<u>10,200,530</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Auditors' remuneration	10,200	10,200
Depreciation of tangible fixed assets	185,176	202,837
Exchange differences	3,385	9,459
Operating lease rentals	<u>281,217</u>	<u>209,027</u>

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**5. EMPLOYEES**

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

	2015 £	2014 £
Wages and salaries	2,416,624	2,287,505
Social security costs	228,171	213,009
Cost of defined contribution scheme	162,573	133,320
	<u>2,807,368</u>	<u>2,633,834</u>

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

	2015 No.	2014 No.
Production	87	72
Sales and marketing	5	5
Management and administration	25	25
	<u>117</u>	<u>102</u>

**6. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Directors' emoluments	291,548	248,007
Company contributions to defined contribution pension schemes	21,639	18,160
	<u>313,187</u>	<u>266,167</u>

During the year retirement benefits were accruing to 3 directors (2014 - 2) in respect of defined contribution pension schemes. The highest paid director received remuneration of £169,479 (2014 - £165,914). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,659 (2014 - £13,285).

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**7. TAXATION**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	323,000	6,013
Adjustments in respect of previous periods	22,542	-
	<u>345,542</u>	<u>6,013</u>
 Group taxation relief	 -	 309,987
	<u>345,542</u>	<u>316,000</u>
 <b>Total corporation tax</b>	 <u>345,542</u>	 <u>316,000</u>
 <b>Deferred tax</b>		
Origination and reversal of timing differences	(12,000)	1,000
<b>Total deferred tax</b>	<u>(12,000)</u>	<u>1,000</u>
 <b>Taxation on profit on ordinary activities</b>	 <u>333,542</u>	 <u>317,000</u>

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**7. TAXATION (continued)****FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,528,069</u>	<u>1,470,006</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	<b>309,434</b>	316,051
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,188	1,660
Capital allowances for year in excess of depreciation	12,378	(1,260)
Adjustments to tax charge in respect of prior periods	22,542	-
Short term timing difference leading to an increase (decrease) in taxation	(12,000)	1,000
Effect of lower rates of tax	-	(451)
Total tax charge for the year	<u><b>333,542</b></u>	<u>317,000</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**8. TANGIBLE FIXED ASSETS**

	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	618,456	2,814,536	85,121	3,518,113
Additions	107,097	177,463	-	284,560
Disposals	-	(11,070)	-	(11,070)
<b>At 31 December 2015</b>	<b>725,553</b>	<b>2,980,929</b>	<b>85,121</b>	<b>3,791,603</b>
<b>Depreciation</b>				
At 1 January 2015	452,271	2,155,315	85,121	2,692,707
Charge owned for the period	46,607	138,569	-	185,176
Disposals	-	(11,070)	-	(11,070)
<b>At 31 December 2015</b>	<b>498,878</b>	<b>2,282,814</b>	<b>85,121</b>	<b>2,866,813</b>
<b>At 31 December 2015</b>	<b>226,675</b>	<b>698,115</b>	<b>-</b>	<b>924,790</b>
<b>At 31 December 2014</b>	<b>166,185</b>	<b>659,221</b>	<b>-</b>	<b>825,406</b>

**9. STOCKS**

	2015 £	2014 £
Raw materials and consumables	828,653	731,321
Work in progress (goods to be sold)	265,864	243,559
Finished goods and goods for resale	557,922	379,645
	<b>1,652,439</b>	<b>1,354,525</b>

Stock recognised in cost of sales during the year as an expense was £5,049,557 (2014 - £4,847,291).

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**10. DEBTORS**

	2015 £	2014 £
Trade debtors	1,216,291	1,078,689
Amounts owed by group undertakings	99,693	455,337
Other debtors	1,053	850
Prepayments and accrued income	126,983	158,071
	<u>1,444,020</u>	<u>1,692,947</u>

**11. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	832,531	615,755
Amounts owed to group undertakings	386,113	889,952
Corporation tax	323,000	6,013
Taxation and social security	290,572	350,879
Other creditors	-	2,328
Accruals and deferred income	168,603	103,127
	<u>2,000,819</u>	<u>1,968,054</u>

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**12. DEFERRED TAXATION**

	Deferred tax £
At 1 January 2015	(46,500)
Credited to the profit or loss	12,000
<b>At 31 December 2015</b>	<b>(34,500)</b>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(46,500)	(46,500)
Other - short term timing differences	12,000	-
	<b>(34,500)</b>	<b>(46,500)</b>

**13. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1,261,075 Ordinary shares of £1 each	<b>1,261,075</b>	1,261,075

Ordinary shares carry equal voting rights and entitlement to distributable reserves.

**14. RESERVES****Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

**15. CONTINGENT LIABILITIES**

The company is party to a Composite Account Agreement with right of set-off with other bank accounts within the CliniMed Group. At 31 December 2015, the overall aggregate was not overdrawn.

**16. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The company pays fixed contributions into an independently administered entity. The pension cost charge represents contributions payable by the company to the fund and amounted to £162,573 (2014 - £133,320). Contributions totalling £NIL (2014 - £NIL) were payable to the fund at the balance sheet date

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**FLEXIBLE MEDICAL PACKAGING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**17. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	219,530	262,745
Later than 1 year and not later than 5 years	527,396	290,228
Later than 5 years	510,625	172,500
<b>Total</b>	<b>1,257,551</b>	<b>725,473</b>

**18. ULTIMATE PARENT COMPANY**

In accordance with the exemption under Financial Reporting Standard No 102, the company does not disclose transactions with other wholly-owned companies within the CliniMed Group.

**19. CONTROLLING PARTY**

The directors consider that the immediate and ultimate parent company of Flexible Medical Packaging Limited is CliniMed (Holdings) Limited, which is registered in England. Copies of the consolidated accounts are available from Companies House.

**20. FIRST TIME ADOPTION OF FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102, which has had no impact on equity or the Statement of Comprehensive Income.





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