

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021  
FOR  
PFF PACKAGING (SEDFIELD) LIMITED  
PREVIOUSLY KNOWN AS  
SIRAP UK LIMITED

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

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**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

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**PFF PACKAGING (SEDFIELD) LIMITED**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**COMPANY INFORMATION**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**DIRECTORS:**

Susan Foster  
Andrew Robert Bairstow  
Michelle Annette Bairstow  
Kenton Scott Robbins  
Robert Victor Atkin

**REGISTERED OFFICE:**

Unit 3 Airedale Park  
Royd Ings Avenue  
Keighley  
West Yorkshire  
BD21 4BZ

**REGISTERED NUMBER:**

02548722 (England and Wales)

**AUDITORS:**

Walter Dawson & Son  
Chartered Accountants  
1 Valley Court  
Canal Road  
Bradford  
West Yorkshire  
BD1 4SP

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**STRATEGIC REPORT**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

The directors present their strategic report for the period 1 January 2021 to 31 October 2021.

**REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS**

The results of the Company for the period ended 31 October 2021 are shown in the Statement of Comprehensive Income on page 9. The state of the Company's affairs at 31 October 2021 is shown in the Balance Sheet on page 11. Turnover decreased from £11,743,179 in 2020(12 mth) to £10,019,199 in 2021 (10 mth). On a comparable 12 month period, the turnover is comparable to 2020.

Overall performance is highlighted in the following KPIs:

	<b>2021</b>	<b>2020</b>
Turnover (£'000)	10,019	11,714
Operating loss (£'000)	(480)	(616)
Operating loss as a percentage of turnover (%)	(4.8%)	(5.2%)

On 15 November 2021, the Company was acquired by PFF Packaging Group Limited. The company name was changed to PFF Packaging (Sedgefield) Limited on 19 January 2022.

**STRATEGIC REPORT**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Raw material prices continue to be a key risk to the business. Since the end of 2020 there has been significant price pressure seen in the sector with the impacts of COVID, Brexit and natural disasters around the world all having an impact on the availability of materials. The Company has regular cost reviews in place and will continue to pro-actively pass costs on where further price increases are seen.

Unprecedented overhead inflation seen in the last year on packaging, carriage, electricity and labour has been a challenge to the Company. Brexit and the pandemic have led to driver shortages, shrinkage of the energy sector, increased demand for packaging for online deliveries and labour shortages, which have all applied pressure to the Company in the year and will continue to do so into 2022. The Company has and will continue to monitor overhead price increases and will pro-actively pass these on to customers promptly.

PRN ("Plastic Recycling Notes") are externally traded and have seen significant price volatility in the past couple of years. This is a challenge to all plastic producing businesses and needs careful management to ensure that margin is maintained by adjusting commercial pricing to reflect any fluctuations experienced.

The new plastic packaging tax is set to come into force in 2022 in the UK. This will levy tax charges on some packaging made from plastic. The Company has been working closely with customers on product innovation and design to meet the requirements of the new legislation and to offer the best value for our customers.

The media led drive for less plastic in packaging is a risk to the sector. The PFF Group has always been committed to innovation and for driving change in our industry. We remain committed to this and continue to look for ways to use less plastic and to use high levels of recycled materials in all of our manufacturing processes.

Competition and threat to market share continues to be a key risk. This is alleviated by continuing to innovate and develop quality products, reacting efficiently to customer requirements, and by strengthening the core team.

Legislative changes around the plastics and packaging industry could negatively affect the business. Management monitors new legislation, or changes to legislation, that affect the business and ensures the business puts plans in place to comply on a timely basis.

The COVID-19 pandemic has created uncertainty and risk in the global economy since 2020 and through into 2021. This is likely to continue for a number of years to come. As the Company serves the food sector, it has been able to continue trading through all national lockdowns. The director has implemented robust procedures to protect our employees and customers from the virus and is committed to keeping this under continuous review through the remainder of the pandemic.

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
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**STRATEGIC REPORT**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**STRATEGY AND FUTURE DEVELOPMENTS**

The Company's strategy is to achieve attractive and sustainable rates of growth. The market is very competitive and continues to represent a significant challenge with rising raw material costs and general cost inflation, which is reflected in the results presented. The acquisition of the Company by PFF Packaging Group Limited is an exciting opportunity to combine two long standing food packaging businesses. This will allow both parties to benefit from economies of scale, greater efficiencies, and greater capacity to serve new customers. The Group will continue to invest in new technology and take a lead in innovation in the sector to meet the needs of our customers.

**ON BEHALF OF THE BOARD:**

Susan Foster - Director

14 June 2022

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

The directors present their report with the financial statements of the company for the period 1 January 2021 to 31 October 2021.

**CHANGE OF NAME**

The company passed a special resolution on 19 January 2022 changing its name from Sirap UK Limited to PFF Packaging (Sedgefield) Limited.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of manufacturing and supply of plastic packaging.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 October 2021.

**DIRECTOR**

Susan Foster held office during the whole of the period from 1 January 2021 to the date of this report. Andrew Robert Bairstow , Michelle Annette Bairstow , Kenton Scott Robbins and Robert Victor Atkin were appointed as directors after 31 October 2021 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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.

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**AUDITORS**

The auditors, Walter Dawson & Son, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Susan Foster - Director

14 June 2022



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**PFF PACKAGING (SEDGEFIELD) LIMITED**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**Opinion**

We have audited the financial statements of PFF Packaging (Sedgefield) Limited (the 'company') for the period ended 31 October 2021 which comprise the Profit and Loss Account, Other 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 October 2021 and of its loss for the period 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 Strategic Report and 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**PFF PACKAGING (SEDGEFIELD) LIMITED**  
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**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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**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 Strategic Report or 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**PFF PACKAGING (SEDGEFIELD) LIMITED**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focussed on specific laws and regulations which considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 and where indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**PFF PACKAGING (SEDFIELD) LIMITED**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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.

Graham Atkinson FCA (Senior Statutory Auditor)  
for and on behalf of Walter Dawson & Son  
Chartered Accountants  
1 Valley Court  
Canal Road  
Bradford  
West Yorkshire  
BD1 4SP

14 June 2022

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

	Notes	Period 1.1.21 to 31.10.21		Year Ended 31.12.20	
		£	£	£	£
<b>TURNOVER</b>			10,019,199		11,743,179
Cost of sales			6,781,648		8,329,271
<b>GROSS PROFIT</b>			3,237,551		3,413,908
Distribution costs		423,961		237,641	
Administrative expenses		3,293,894		3,791,840	
			3,717,855		4,029,481
<b>OPERATING LOSS</b>	5		(480,304)		(615,573)
Interest receivable and similar income			154		1,127
<b>LOSS BEFORE TAXATION</b>			(480,150)		(614,446)
Tax on loss	6		158,058		201,791
<b>LOSS FOR THE FINANCIAL PERIOD</b>			(638,208)		(816,237)

The notes form part of these financial statements

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

	Notes	Period 1.1.21 to 31.10.21 £	Year Ended 31.12.20 £
LOSS FOR THE PERIOD		(638,208)	(816,237)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(638,208)</u>	<u>(816,237)</u>

The notes form part of these financial statements

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**BALANCE SHEET**  
**31 OCTOBER 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		4,737,107		4,749,634
<b>CURRENT ASSETS</b>					
Stocks	8	2,226,231		2,069,438	
Debtors	9	2,481,071		2,365,534	
Cash at bank and in hand		<u>1,616,296</u>		<u>2,271,400</u>	
		6,323,598		6,706,372	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>2,201,394</u>		<u>1,958,487</u>	
<b>NET CURRENT ASSETS</b>			<u>4,122,204</u>		<u>4,747,885</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,859,311</u>		<u>9,497,519</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		7,667,666		7,667,666
Revaluation reserve			35,000		35,000
Profit and loss account			<u>1,156,645</u>		<u>1,794,853</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>8,859,311</u>		<u>9,497,519</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2022 and were signed on its behalf by:

Susan Foster - Director

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

	Called up share capital £	Profit and loss account £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	7,667,666	2,581,090	65,000	10,313,756
<b>Changes in equity</b>				
Transfer reserves	-	30,000	(30,000)	-
Total comprehensive income	-	(816,237)	-	(816,237)
Balance at 31 December 2020	7,667,666	1,794,853	35,000	9,497,519
<b>Changes in equity</b>				
Total comprehensive income	-	(638,208)	-	(638,208)
Balance at 31 October 2021	7,667,666	1,156,645	35,000	8,859,311

The notes form part of these financial statements



**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**1. STATUTORY INFORMATION**

PFF Packaging (Sedgefield) 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.

**2. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

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

- the requirements of Section 7 Statement of Cash Flows.

This information is included in the consolidated financial statements of the immediate parent company as at 31 October 2021, Sirap Gema S.p.A, and of the ultimate parent company as at 31 October 2021, Italmoiliare S.p.A, a company listed on the Milan stock exchange. The financial statements of the immediate parent company may be obtained from the registered office at Via Industriale 1/3, Verolanuova, Italy. The financial statement of the ultimate parent company may be obtained from the registered office at Via Borgonuova, 20, 20121 Milan, Italy.

**RELATED PARTY EXEMPTION**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**TURNOVER**

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

**TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	30 - 35 years
Plant and machinery	3 - 20 years
Land	Not depreciated

**STOCKS**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**2. ACCOUNTING POLICIES - continued**

**TAXATION**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 period 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.

**HIRE PURCHASE AND LEASING COMMITMENTS**

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

**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.

**REVENUE RECOGNITION**

Income is recognised when services have been completed such that the risks and rewards of ownership have transferred to them.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future years.

In the current year there is one critical accounting judgement in respect of the recognition of deferred tax assets which is limited to the extent that it is probable that they will be recovered against future taxable profits and the reversal of deferred tax liabilities. Judgement is required in the assessment of future taxable profits.

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**4. EMPLOYEES AND DIRECTORS**

	Period 1.1.21 to 31.10.21 £	Year Ended 31.12.20 £
Wages and salaries	2,015,678	2,325,667
Social security costs	190,479	225,210
Other pension costs	82,735	120,496
	<u>2,288,892</u>	<u>2,671,373</u>

The average number of employees during the period was as follows:

	Period 1.1.21 to 31.10.21	Year Ended 31.12.20
Production	65	65
Selling and administration	18	19
	<u>83</u>	<u>84</u>

	Period 1.1.21 to 31.10.21 £	Year Ended 31.12.20 £
Director's remuneration	85,474	104,075
Director's pension contributions to money purchase schemes	<u>7,013</u>	<u>8,357</u>

**5. OPERATING LOSS**

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

	Period 1.1.21 to 31.10.21 £	Year Ended 31.12.20 £
Hire of plant and machinery	48,097	63,908
Other operating leases	166,081	196,069
Depreciation - owned assets	680,003	686,750
Profit on disposal of fixed assets	-	(2,000)
Auditors' remuneration	36,240	38,426
Foreign exchange differences	<u>(29,327)</u>	<u>73,314</u>

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss for the period was as follows:

	Period 1.1.21 to 31.10.21 £	Year Ended 31.12.20 £
Deferred tax	158,058	201,791
Tax on loss	<u>158,058</u>	<u>201,791</u>

**RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.1.21 to 31.10.21 £	Year Ended 31.12.20 £
Loss before tax	(480,150)	(614,446)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(91,229)	(116,745)
Effects of:		
Expenses not deductible for tax purposes	-	4,536
Depreciation in excess of capital allowances	129,201	-
Utilisation of tax losses	(37,972)	-
Adjustments to tax charge in respect of previous periods	-	(1,000)
Unutilised tax losses	-	357,000
Re measurement of deferred tax asset	158,058	(42,000)
Total tax charge	<u>158,058</u>	<u>201,791</u>

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2021	984,059	14,150,906	15,134,965
Additions	-	667,476	667,476
Disposals	-	(5,005,235)	(5,005,235)
At 31 October 2021	984,059	9,813,147	10,797,206
<b>DEPRECIATION</b>			
At 1 January 2021	227,636	10,157,695	10,385,331
Charge for period	29,286	650,717	680,003
Eliminated on disposal	-	(5,005,235)	(5,005,235)
At 31 October 2021	256,922	5,803,177	6,060,099
<b>NET BOOK VALUE</b>			
At 31 October 2021	727,137	4,009,970	4,737,107
At 31 December 2020	756,423	3,993,211	4,749,634

Within plant and machinery is £105,305 (2020: £149,860) in relation to assets under the course of construction. At 31 October 2021 the company had contractual commitments of £85,042 (2020: £76,409).

**8. STOCKS**

	2021 £	2020 £
Raw materials	1,179,902	955,175
Finished goods	1,046,329	1,114,263
	<u>2,226,231</u>	<u>2,069,438</u>

**9. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,312,039	1,991,154
Amounts owed by group undertakings	28,919	60,293
Prepayments and accrued income	140,113	156,029
	<u>2,481,071</u>	<u>2,207,476</u>

**PFF PACKAGING (SEDGEFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
**PREVIOUSLY KNOWN AS SIRAP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**9. DEBTORS - continued**

	2021 £	2020 £
Amounts falling due after more than one year:		
Deferred tax asset	-	158,058
Aggregate amounts	<u>2,481,071</u>	<u>2,365,534</u>

Amounts owed by group undertakings in respect of inter-company trading balances are repayable on demand, and have no securities, payments date on interest rate.

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	1,599,048	1,292,441
Amounts owed to group undertakings	12,276	127,161
Social security and other taxes	53,470	52,818
VAT	141,548	126,539
Accruals and deferred income	395,052	359,528
	<u>2,201,394</u>	<u>1,958,487</u>

Amounts owed by group undertakings in respect of inter-company trading balances are repayable on demand, and have no securities, payments date on interest rate.

**11. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	274,853	293,000
Between one and five years	363,261	565,000
In more than five years	6,084	19,000
	<u>644,198</u>	<u>877,000</u>

**12. DEFERRED TAX**

	£
Balance at 1 January 2021	(158,058)
Charge to Profit and Loss Account during period	158,058
Balance at 31 October 2021	<u>-</u>

**PFF PACKAGING (SEDFIELD) LIMITED (REGISTERED NUMBER: 02548722)**  
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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2021 TO 31 OCTOBER 2021**

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
7,667,666	Ordinary	1	<u>7,667,666</u>	<u>7,667,666</u>

**14. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £82,735 (2020: £120,496). Contributions totalling £16,944 (2020: £37,311) were payable to the fund at the year end and are included in creditors.

**15. ULTIMATE PARENT COMPANY**

As at 31 October 2021 the company is owned by Sirap Gema S.p.A., a company incorporated in Italy, which is the immediate parent company. The financial statements of the immediate parent can be obtained from the registered office at Via San Bernardino 149a, CAP 24126, Bergamo, Italy.

As at 31 October 2021 the ultimate controlling party is Italmobiliare S.p.A., a company incorporated in Italy, listed on the Italian stock exchange. The financial statements of the ultimate parent can be obtained from their registered office at Via Borgonuovo, 20, 20121 Milan, Italy.

On 12 November 2021 the company was acquired by PFF Packaging Group Limited after which the ultimate controlling party was PFF Group Limited

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