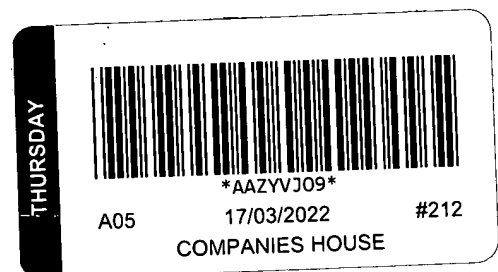


Company registration number: 03581032

**A & K ECOFILM LIMITED**

**Financial statements**

**30 June 2021**



## **A & K ECOFILM LIMITED**

### **Contents**

	<b>Page</b>
Directors and other information	<b>1</b>
Strategic report	<b>2</b>
Director's report	<b>3 - 4</b>
Independent auditor's report to the member	<b>5 - 8</b>
Statement of comprehensive income	<b>9</b>
Statement of financial position	<b>10</b>
Statement of changes in equity	<b>11</b>
Statement of cash flows	<b>12</b>
Notes to the financial statements	<b>13 - 22</b>

**A & K ECOFILM LIMITED**

**Directors and other information**

<b>Director</b>	Stewart Andrew
<b>Secretary</b>	Janet Andrew
<b>Company number</b>	03581032
<b>Registered office</b>	31 High Street Stokesley North Yorkshire TS9 5AD
<b>Business address</b>	Unit A, Olympic Park Dealburn Road Low Moor Bradford BD12 0RG
<b>Auditor</b>	Kenneth Easby Limited Trinity House Thurston Road Northallerton North Yorkshire DL6 2NA
<b>Accountants</b>	Paul Tranter & Company 31 High Street Stokesley North Yorkshire TS9 5AD
<b>Bankers</b>	Natwest Bank PLC 8 Fair Road Wibsey Bradford

## A & K ECOFILM LIMITED

### Strategic report Year ended 30 June 2021

The director presents the strategic report for the year ended 30 June 2021.

#### Fair review of the business

During the current financial year, the company's trading position fluctuated as a result of occasional adverse global influences experienced by the sector, but ended strongly. Sales totalled £10.14m, a 9.8% decrease compared to £11.24m in the previous year.

Reduced turnover resulted in reduced profitability, with profit for the year of £1.39m compared to £1.57m in the previous year. The company is fortunate to have built sufficient reserves to withstand industry variances, and will continue to pursue this policy. Net assets at 30th June 2021 were £7.64m compared to £8.25m at 30th June 2020. Throughout the trading year the company has continued to serve its loyal customer base, and maintain an excellent reputation for quality production.

The continuing strategy of excellence, customer service and production efficiencies will maximise the full potential of the company, its output and its reputation.

#### Principal risks and uncertainties

The director acknowledges that the principal risk to the company's operations is the threat of increased competition in both the packaging and sheeting sectors of the business.

The ongoing Coronavirus pandemic has not had an adverse effect upon current turnover or future orders. The company is confident that procedures already undertaken will ensure the company's ability to fulfil future requirements.

This report was approved by the board of directors on 3-3-2022 and signed on behalf of the board by:

Stewart Andrew  
Director



## **A & K ECOFILM LIMITED**

### **Director's report Year ended 30 June 2021**

The director presents his report and the financial statements of the company for the year ended 30 June 2021.

#### **Director**

The director who served the company during the year was as follows:

Stewart Andrew

#### **Dividends**

Particulars of recommended dividends are detailed in note 11 to the financial statements.

#### **Future developments**

The company is in good standing and will continue its development program by constantly reviewing and reacting to trends and technology within the industry. It will maintain its existing management structure and production team with the intention of enabling it to take full advantage of any perceived reduction in production capacity within this industry sector.

#### **Financial instruments**

Foreign currency risk:

The company is exposed to currency exchange risk due to a proportion of its trade payables being denominated in non-sterling currencies. The net exposure of each currency is monitored and managed, and the proportion minimised as far as possible.

Other risks:

The company has a normal level of exposure to price, credit, interest rate and liquidity risks arising from trading activities, and does not enter in to any financial instruments to mitigate these risks.

#### **Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

**A & K ECOFILM LIMITED**

**Director's report (continued)**  
**Year ended 30 June 2021**

The director is 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 him 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.

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 3-3-2022 and signed on behalf of the board by:

.....  
Stewart Andrew  
Director



## **A & K ECOFILM LIMITED**

### **Independent auditor's report to the member of A&K ECOFILM LIMITED Year ended 30 June 2021**

#### **Opinion**

We have audited the financial statements of A & K ECOFILM LIMITED (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **A & K ECOFILM LIMITED**

### **Independent auditor's report to the member of A&K ECOFILM LIMITED (continued) Year ended 30 June 2021**

#### **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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report has 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 director's report.

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 the returns; or
- certain disclosures of director's 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 director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

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

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;



## **A & K ECOFILM LIMITED**

### **Independent auditor's report to the member of A&K ECOFILM LIMITED (continued) Year ended 30 June 2021**

- 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 plastics manufacturing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and 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 susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

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 3 were 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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and any other relevant regulator or body.

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.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's report.

**A & K ECOFILM LIMITED**

**Independent auditor's report to the member of A&K ECOFILM LIMITED (continued)**  
**Year ended 30 June 2021**

**Use of our report**

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



Kenneth Graham (Senior Statutory Auditor)

For and on behalf of Kenneth Easby Limited  
Chartered Accountants and Statutory Auditor  
Trinity House  
Thurston Road  
Northallerton  
North Yorkshire  
DL6 2NA

Date: 3-3-2022

**A & K ECOFILM LIMITED**

**Statement of comprehensive income  
Year ended 30 June 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Turnover</b>	<b>4</b>	10,138,973	11,240,412
Cost of sales		(7,557,459)	(8,093,017)
<b>Gross profit</b>		<u>2,581,514</u>	<u>3,147,395</u>
Administrative expenses		(1,189,282)	(1,232,115)
Other operating income	<b>5</b>	52,474	23,330
Profit/loss on disposal of fixed assets		277,512	-
<b>Operating profit</b>	<b>6</b>	<u>1,722,218</u>	<u>1,938,610</u>
Other interest receivable and similar income	<b>9</b>	21	3,167
<b>Profit before taxation</b>		1,722,239	1,941,777
Tax on profit	<b>10</b>	(327,259)	(368,953)
<b>Profit for the financial year and total comprehensive income</b>		<u><u>1,394,980</u></u>	<u><u>1,572,824</u></u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

**A & K ECOFILM LIMITED**

**Statement of financial position (continued)**  
**30 June 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	641,021	926,631
		<u>641,021</u>	<u>926,631</u>
<b>Current assets</b>			
Stocks	13	196,930	241,692
Debtors	14	3,326,122	2,973,672
Cash at bank and in hand		5,489,121	5,873,751
		<u>9,012,173</u>	<u>9,089,115</u>
<b>Creditors: amounts falling due within one year</b>	15	(1,890,342)	(1,653,193)
<b>Net current assets</b>		<u>7,121,831</u>	<u>7,435,922</u>
<b>Total assets less current liabilities</b>		<u>7,762,852</u>	<u>8,362,553</u>
 <b>Provisions for liabilities</b>	16	(121,794)	(116,475)
 <b>Net assets</b>		<u><u>7,641,058</u></u>	<u><u>8,246,078</u></u>
 <b>Capital and reserves</b>			
Called up share capital	20	1	1
Profit and loss account		7,641,057	8,246,077
<b>Shareholder funds</b>		<u><u>7,641,058</u></u>	<u><u>8,246,078</u></u>

These financial statements were approved by the board of directors and authorised for issue on 3-3-2022, and are signed on behalf of the board by:

Stewart Andrew

Director

Company registration number: 03581032



The notes on pages 13 to 22 form part of these financial statements.

**A & K ECOFILM LIMITED**

**Statement of changes in equity  
Year ended 30 June 2021**

	Called up share capital £	Profit and loss account £	Total £
<b>At 1 July 2019</b>	1	6,673,253	6,673,254
Profit for the year		1,572,824	1,572,824
<b>Total comprehensive income for the year</b>	-	1,572,824	1,572,824
<b>At 30 June 2020 and 1 July 2020</b>	1	8,246,077	8,246,078
Profit for the year		1,394,980	1,394,980
<b>Total comprehensive income for the year</b>	-	1,394,980	1,394,980
Dividends paid and payable		(2,000,000)	(2,000,000)
<b>Total investments by and distributions to owners</b>	-	(2,000,000)	(2,000,000)
<b>At 30 June 2021</b>	1	7,641,057	7,641,058

**A & K ECOFILM LIMITED**

**Statement of cash flows  
Year ended 30 June 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,394,980	1,572,824
<i>Adjustments for:</i>		
Depreciation of tangible assets	113,121	163,523
Other interest receivable and similar income	(21)	(3,167)
Gain/(loss) on disposal of tangible assets	(277,512)	457
Tax on profit	327,259	368,953
Accrued expenses/(income)	(11,657)	5,728
<i>Changes in:</i>		
Stocks	44,762	(96,776)
Trade and other debtors	(352,450)	(32,407)
Trade and other creditors	259,880	137,319
Cash generated from operations	<u>1,498,362</u>	<u>2,116,454</u>
Interest received	21	3,167
Tax paid	(333,435)	(299,876)
Net cash from operating activities	<u>1,164,948</u>	<u>1,819,745</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	-	(202,406)
Proceeds from sale of tangible assets	450,001	-
Net cash from/(used in) investing activities	<u>450,001</u>	<u>(202,406)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	421	5,517
Equity dividends paid	(2,000,000)	-
Net cash (used in)/from financing activities	<u>(1,999,579)</u>	<u>5,517</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(384,630)	1,622,856
<b>Cash and cash equivalents at beginning of year</b>	5,873,751	4,250,895
<b>Cash and cash equivalents at end of year</b>	<u>5,489,121</u>	<u>5,873,751</u>

## **A & K ECOFILM LIMITED**

### **Notes to the financial statements Year ended 30 June 2021**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 31 High Street, Stokesley, North Yorkshire, TS9 5AD.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

The financial statements have been prepared on a going concern basis as the director believes that no material uncertainties exist. The director has considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the company, to be able to continue as a going concern.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **A & K ECOFILM LIMITED**

### **Notes to the financial statements (continued) Year ended 30 June 2021**

#### **Operating leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability. Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 15%	reducing balance
---------------------	-------	------------------

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition using the FIFO formula.



## **A & K ECOFILM LIMITED**

### **Notes to the financial statements (continued) Year ended 30 June 2021**

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

# A & K ECOFILM LIMITED

## Notes to the financial statements (continued) Year ended 30 June 2021

### Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value 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 those estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, where the revision effects only that period, or in the period of revision and future periods where the provision effects both current and future periods.

### 4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	10,138,973	11,240,412

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Other operating income

	2021	2020
	£	£
Rental income	23,330	23,330
Government grant income	27,425	-
Other operating income	1,719	-
	<u>52,474</u>	<u>23,330</u>

# **A & K ECOFILM LIMITED**

## **Notes to the financial statements (continued) Year ended 30 June 2021**

### **6. Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	113,121	163,523
(Gain)/loss on disposal of tangible assets	(277,512)	457
Operating lease rentals	37,752	36,399
Fees payable for the audit of the financial statements	6,000	6,000
	<u>          </u>	<u>          </u>

### **7. Staff costs**

The average number of persons employed by the company during the year, including the director, amounted to:

	<b>2021</b>	<b>2020</b>
Production staff	21	22
Administrative staff	2	2
	<u>      </u>	<u>      </u>
	23	24

The aggregate payroll costs incurred during the year were:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	722,229	708,244
Social security costs	66,750	65,186
Other pension costs	12,368	12,237
	<u>          </u>	<u>          </u>
	801,347	785,667

### **8. Directors remuneration**

The director's aggregate remuneration in respect of qualifying services was:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration	59,664	58,226
	<u>          </u>	<u>          </u>

**A & K ECOFILM LIMITED**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2021**

**9. Other interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other interest receivable and similar income	21	3,167
	<u>          </u>	<u>          </u>

**10. Tax on profit**

**Major components of tax expense**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	321,940	348,572
	<u>          </u>	<u>          </u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	5,319	20,381
<b>Tax on profit</b>	<u>327,259</u>	<u>368,953</u>

**Reconciliation of tax expense**

The tax assessed on the profit for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit before taxation	1,722,239	1,941,777
	<u>          </u>	<u>          </u>
Profit multiplied by rate of tax	327,225	368,938
Effect of expenses not deductible for tax purposes	34	15
<b>Tax on profit</b>	<u>327,259</u>	<u>368,953</u>

**11. Dividends**

**Equity dividends**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	2,000,000	-
	<u>          </u>	<u>          </u>

**A & K ECOFILM LIMITED**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2021**

**12. Tangible assets**

	Plant and Total £	machinery £
<b>Cost</b>		
At 1 July 2020	3,528,910	3,528,910
Disposals	(917,514)	(917,514)
<b>At 30 June 2021</b>	<u>2,611,396</u>	<u>2,611,396</u>
<b>Depreciation</b>		
At 1 July 2020	2,602,279	2,602,279
Charge for the year	113,121	113,121
Disposals	(745,025)	(745,025)
<b>At 30 June 2021</b>	<u>1,970,375</u>	<u>1,970,375</u>
<b>Carrying amount</b>		
<b>At 30 June 2021</b>	<u>641,021</u>	<u>641,021</u>
At 30 June 2020	<u>926,631</u>	<u>926,631</u>

**13. Stocks**

	2021 £	2020 £
Raw materials and consumables	137,982	146,197
Finished goods and goods for resale	58,948	95,495
	<u>196,930</u>	<u>241,692</u>

**14. Debtors**

	2021 £	2020 £
Trade debtors	3,256,267	2,892,255
Prepayments and accrued income	64,022	75,584
Other debtors	5,833	5,833
	<u>3,326,122</u>	<u>2,973,672</u>

**A & K ECOFILM LIMITED**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2021**

**15. Creditors: amounts falling due within one year**

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Trade creditors	1,457,416	1,095,260
Accruals and deferred income	82,934	94,591
Corporation tax	156,237	167,732
Social security and other taxes	187,216	286,496
Director loan accounts	6,629	6,208
Other creditors	-	2,906
	<u>1,890,342</u>	<u>1,653,193</u>

**16. Provisions**

	Deferred tax	(note 17)
	<b>Total</b>	
	<b>£</b>	<b>£</b>
At 1 July 2020	116,475	116,475
Additions	5,319	5,319
<b>At 30 June 2021</b>	<u>121,794</u>	<u>121,794</u>

**17. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Included in provisions (note 16)	<u>121,794</u>	<u>116,475</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>121,794</u>	<u>116,475</u>

**A & K ECOFILM LIMITED**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2021**

**18. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £12,368 (2020: £12,237).

**19. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Recognised in other operating income:		
Government grants recognised directly in income	27,425	-
	<u>27,425</u>	<u>-</u>

**20. Called up share capital  
 Issued, called up and fully paid**

	<b>2021</b>		<b>2020</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £ 1.00 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**21. Operating leases**

**The company as lessee**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	113,666	100,941
Later than 1 year and not later than 5 years	103,828	190,775
Later than 5 years	-	3,385
	<u>217,494</u>	<u>295,101</u>

# A & K ECOFILM LIMITED

## Notes to the financial statements (continued) Year ended 30 June 2021

### 22. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
A & K Plastics	826,259	780,299	(513,414)	(435,563)

The company was under the control of Mr S Andrew, who is the sole director and shareholder throughout the current and previous year.

During the year the company bought materials from A & K Plastics, a business in which Mr S Andrew is a partner and controlling party. The trade was conducted on normal business terms.

During the year the company incurred rent payable to A & K Ecofilm SSAS of £45,000 (2020 - £45,000). The SSAS is a pension scheme in which Mr S Andrew is a trustee and member.

### Remuneration of key management personnel

The remuneration of key management personnel, including the one director is as follows

	2021	2020
	£	£
Aggregate compensation	150,742	136,441