
KENDON FLEXOCARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017



KENDON FLEXOCARE LIMITED

COMPANY INFORMATION

Directors	E A Kendon A J Kendon
Company secretary	A J Kendon
Registered number	05545687
Registered office	7 Innova Way Innova Park Enfield EN3 7FL
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor 45 Pall Mall St James's London SW1Y 5JG

KENDON FLEXOCARE LIMITED

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KENDON FLEXOCARE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the year, after taxation, amounted to £29,938 (2016 - £25,612).

Directors

The directors who served during the year were:

E A Kendon
A J Kendon

Future Developments

The company aims to grow sales through account development by providing excellent customer service and competitive pricing.

KENDON FLEXOCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disclosure of information to auditor

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

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

Post balance sheet events

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

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 September 2017 and signed on its behalf.



A J Kendon

Director

KENDON FLEXOCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KENDON FLEXOCARE LIMITED (CONTINUED)

We have audited the financial statements of Kendon Flexocare Limited for the year ended 31 March 2017, set out on pages 5 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, 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 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 March 2017 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

KENDON FLEXOCARE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KENDON FLEXOCARE LIMITED
(CONTINUED)**

- 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Simon Speller FCA (Senior statutory auditor)
for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

45 Pall Mall
St James's
London
SW1Y 5JG

21 September 2017

KENDON FLEXOCARE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	2,154,085	2,401,204
Cost of sales		(1,581,869)	(1,748,729)
Gross profit		572,216	652,475
Distribution costs		(128,830)	(134,482)
Administrative expenses		(399,882)	(478,382)
Operating profit	5	43,504	39,611
Interest payable and expenses	7	(5,975)	(7,598)
Profit before tax		37,529	32,013
Tax on profit	8	(7,591)	(6,401)
Profit after tax		29,938	25,612
Retained earnings at the beginning of the year		436,259	410,647
		436,259	410,647
Profit for the year		29,938	25,612
Retained earnings at the end of the year		466,197	436,259

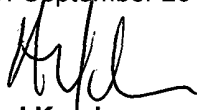
The notes on pages 7 to 16 form part of these financial statements.

KENDON FLEXOCARE LIMITED
REGISTERED NUMBER: 05545687

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	20,571	15,377
		<u>20,571</u>	<u>15,377</u>
Current assets			
Stocks	10	216,030	261,704
Debtors: amounts falling due within one year	11	618,052	505,147
Cash at bank and in hand	12	282	26,287
		<u>834,364</u>	<u>793,138</u>
Creditors: amounts falling due within one year	13	(378,738)	(362,256)
Net current assets		<u>455,626</u>	<u>430,882</u>
Total assets less current liabilities		<u>476,197</u>	<u>446,259</u>
Net assets		<u><u>476,197</u></u>	<u><u>446,259</u></u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account	16	466,197	436,259
		<u><u>476,197</u></u>	<u><u>446,259</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2017


A J Kendon
 Director

The notes on pages 7 to 16 form part of these financial statements.

KENDON FLEXOCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Kendon Flexocare Limited is a company incorporated and domiciled in the UK.

The principal activity of the company is the manufacture and wholesale merchandising of packaging materials and stationery products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided on the following basis:

Plant & machinery	- 5 Years
Motor vehicles	- 4 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

KENDON FLEXOCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less 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.

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.

2.5 Debtors

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

2.6 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.

2.7 Financial instruments

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

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

KENDON FLEXOCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2.9 Foreign currency translation (continued)

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 Statement of income and retained earnings.

2.10 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Stock is included as per the accounting policy set out above. Management have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected sales of such items in the immediate period post year end.
- The recoverability of Trade Receivables has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information, and their experience of the specific nature of Trade Receivable in question.

KENDON FLEXOCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Packaging materials	2,154,085	2,401,204
	<u>2,154,085</u>	<u>2,401,204</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	2,146,006	2,396,096
Rest of the world	8,079	5,108
	<u>2,154,085</u>	<u>2,401,204</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	8,243	5,410
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	<u>4,560</u>	<u>3,800</u>

KENDON FLEXOCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages & Salaries	443,787	497,303
Social security costs	34,964	41,121
	<u>478,751</u>	<u>538,424</u>

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

	2017 No.	2016 No.
Office and management	5	5
Production and sales	21	21
	<u>26</u>	<u>26</u>

7. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	5,975	7,598
	<u>5,975</u>	<u>7,598</u>

KENDON FLEXOCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	7,591	5,663
Adjustments in respect of previous periods	-	738
Total current tax	<u>7,591</u>	<u>6,401</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>7,591</u>	<u>6,401</u>
Factors affecting tax charge for the year		
	2017 £	2016 £
Profit on ordinary activities before tax	<u>37,529</u>	<u>32,013</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	7,506	6,403
Effects of:		
Capital allowances for year in excess of depreciation	85	(740)
Other tax adjustments	-	738
Total tax charge for the year	<u>7,591</u>	<u>6,401</u>

Factors that may affect future tax charges

On 8 July 2015 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017 and 18 per cent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

KENDON FLEXOCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 April 2016	67,259	48,480	115,739
Additions	1,185	12,946	14,131
Disposals	(833)	(17,210)	(18,043)
At 31 March 2017	<u>67,611</u>	<u>44,216</u>	<u>111,827</u>
Depreciation			
At 1 April 2016	55,257	45,105	100,362
Charge owned for the period	4,151	4,092	8,243
Disposals	(139)	(17,210)	(17,349)
At 31 March 2017	<u>59,269</u>	<u>31,987</u>	<u>91,256</u>
Net book value			
At 31 March 2017	<u>8,342</u>	<u>12,229</u>	<u>20,571</u>
At 31 March 2016	<u>12,002</u>	<u>3,375</u>	<u>15,377</u>

KENDON FLEXOCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Stocks

	2017 £	2016 £
Finished goods and goods for resale	216,030	261,704
	<u>216,030</u>	<u>261,704</u>

11. Debtors

	2017 £	2016 £
Trade debtors	612,961	500,720
Prepayments and accrued income	5,091	4,427
	<u>618,052</u>	<u>505,147</u>

12. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	282	26,287
	<u>282</u>	<u>26,287</u>

KENDON FLEXOCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdraft	7,700	-
Trade creditors	94,728	58,151
Amounts owed to group undertakings	177,761	197,996
Corporation tax	7,591	5,663
Other taxation and social security	7,605	9,166
Accruals and deferred income	83,353	91,280
	<u>378,738</u>	<u>362,256</u>

14. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	612,961	500,720
	<u>612,961</u>	<u>500,720</u>
Financial liabilities		
Financial liabilities measured at amortised cost	363,542	(347,427)
	<u>363,542</u>	<u>(347,427)</u>

Financial assets measured at amortised cost comprise trade and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed to group companies.

KENDON FLEXOCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000- Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

16. Reserves

Profit & loss account

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

17. Related party transactions

The Company has taken advantage of the exemption in FRS102 from the requirement to disclose transactions with Group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

18. Controlling party

The directors' consider that the company is under the control of its immediate and ultimate parent company Kendon Packaging Group Plc. The ultimate controlling parties are considered to be AJ Kendon and EA Kendon.

The consolidated financial statements of Kendon Packaging Group Plc may be obtained from Companies House.