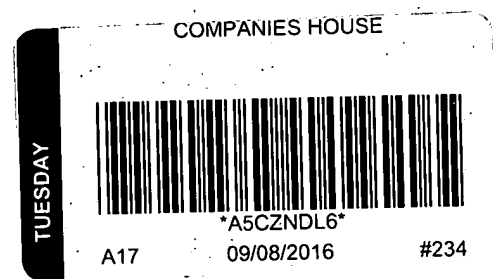


COMPLETE CORE BUSINESS SOLUTIONS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016



Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

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FOR THE YEAR ENDED 31 MARCH 2016

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COMPLETE CORE BUSINESS SOLUTIONS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016**

DIRECTORS: S N Nicholls
J Nicholls

SECRETARY: R E Nicholls

REGISTERED OFFICE: Unit 6
Ynysboeth Factory Estate
Abercynon
Mountain Ash
CF45 4SF

REGISTERED NUMBER: 05728908 (England and Wales)

AUDITORS: Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

FY15/16 has seen an improvement in overall sales which has predominately driven a significant turnover growth. Turnover for the year ended 31 March at £12.7 million, shows a growth of 23.5% over the previous year. Pre-tax profit for the year ended 31 March 2016 was £2.67million, up by £0.9million on the previous year.

A strategic decision to demerge the non tips contract packing business from Complete Core Business Solutions Limited will allow us to focus on maintaining the company's efficiencies and optimise the performance going forward.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices and credit risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company by monitoring market prices and maintaining close control over debtors.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company pursues policies that require appropriate credit checks on potential customers before sales are made. Customers are assigned credit limits and overdue debts are chased on a regular basis.

Liquidity risk and cash flow

The company actively monitors its liquidity and cash flow position to ensure it has sufficient cash in order to fund its activities.

DEVELOPMENT AND PERFORMANCE

The demerger of the non tips co-packing part of the business has removed the distraction of the diverse range of products and clients from the day to day management. This has led to a full focus on this business and allowed the development of monitors to record OEE and OTIF as a benchmark. Going forward the board will utilise this tool to ensure that outputs, operator and machine efficiencies and effectiveness are optimised.

Our strategy for growth based on technological advancement and development has and will create a robust company that will safeguard our future. For these reasons the directors feel confident about the future growth and profitability of the business.

KEY PERFORMANCE INDICATORS

The directors and management review the financial results monthly, focusing on sales, costs, profitability and working capital control. Each part of the business monitors a series of KPI's, all aligned to the annual, mid and long term objectives.

FUTURE DEVELOPMENTS

To secure a renewal of the manufacturing agreement (due in September 2016) the management has undertaken a review of all costs, overheads and operating structure to identify the opportunities to provide a competitive tender for the extension of the said agreement.

Due to a reorganisation of the parent company of the client the existing agreement has been transferred under a "Deed of Novation" to an international subsidiary of the parent company. This will ensure that the current terms and conditions of the agreement will continue unchanged for the duration of its term.

The company, utilising its packaging experience and contacts, is providing support in enabling the client to develop and launch new products for markets throughout the world.

ON BEHALF OF THE BOARD:


.....
S N Nicholls - Director

Date: 27-07-2016

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the conversion of filter tips and packing.

DIVIDENDS

An interim dividend was voted on 19 January 2016 at £650 per share for A Ordinary shares and at £1,207 per share for B Ordinary shares. A final dividend was also voted at £6,850 per share for A Ordinary shares and at £11,724 per share for B Ordinary shares.

On 1 September 2015, there was a demerger of the company, with stock, assets and goodwill being transferred to Complete Co-Packing Services Limited, in exchange for 167 shares. These shares were then transferred to the shareholders in Complete Core Business Solutions Limited by way of a dividend in specie.

The total distribution of dividends for the year ended 31 March 2016 will be £1,786,771.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

S N Nicholls
J Nicholls

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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.

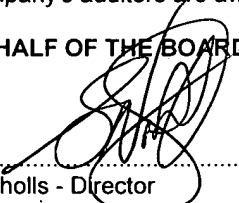
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016

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.

ON BEHALF OF THE BOARD:


.....
S N Nicholls - Director

Date: 21-07-2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COMPLETE CORE BUSINESS SOLUTIONS LIMITED

We have audited the financial statements of Complete Core Business Solutions Limited for the year ended 31 March 2016 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is 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'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 5 August 2016

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 Continuing £	2016 Discontinued £	2016 Total £
TURNOVER	3	12,256,771	455,706	12,712,477
Cost of sales		<u>(8,656,821)</u>	<u>(294,516)</u>	<u>(8,951,337)</u>
GROSS PROFIT		3,599,950	161,190	3,761,140
Administrative expenses		<u>(836,871)</u>	<u>(255,816)</u>	<u>(1,092,687)</u>
OPERATING PROFIT/(LOSS)	5	2,763,079	(94,626)	2,668,453
Interest receivable and similar income		<u>5,843</u>	<u>-</u>	<u>5,843</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,768,922	(94,626)	2,674,296
Tax on profit/(loss) on ordinary activities	7	<u>(521,633)</u>	<u>-</u>	<u>(521,633)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,247,289</u>	<u>(94,626)</u>	2,152,663
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,247,289</u>	<u>(94,626)</u>	

The notes form part of these financial statements

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2015 Continuing £	2015 Discontinued £	2015 Total £
TURNOVER	3	9,349,231	938,273	10,287,504
Cost of sales		<u>(6,751,175)</u>	<u>(685,712)</u>	<u>(7,436,887)</u>
GROSS PROFIT		2,598,056	252,561	2,850,617
Administrative expenses		<u>(870,029)</u>	<u>(278,040)</u>	<u>(1,148,069)</u>
		1,728,027	(25,479)	1,702,548
Other operating income		<u>3,987</u>	<u>-</u>	<u>3,987</u>
OPERATING PROFIT/(LOSS)	5	1,732,014	(25,479)	1,706,535
Interest receivable and similar income		<u>5,962</u>	<u>-</u>	<u>5,962</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,737,976	(25,479)	1,712,497
Tax on profit/(loss) on ordinary activities	7	<u>(367,423)</u>	<u>-</u>	<u>(367,423)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,370,553</u>	<u>(25,479)</u>	1,345,074
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,370,553</u>	<u>(25,479)</u>	

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	1,500,894	1,884,872
CURRENT ASSETS			
Stocks	10	859,653	803,700
Debtors	11	958,507	1,217,786
Cash at bank and in hand		<u>5,565,876</u>	<u>4,279,947</u>
		7,384,036	6,301,433
CREDITORS			
Amounts falling due within one year	12	<u>(3,559,179)</u>	<u>(3,157,386)</u>
NET CURRENT ASSETS		<u>3,824,857</u>	<u>3,144,047</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,325,751	5,028,919
CREDITORS			
Amounts falling due after more than one year	13	(628)	(7,904)
PROVISIONS FOR LIABILITIES	16	<u>(98,914)</u>	<u>(160,698)</u>
NET ASSETS		<u>5,226,209</u>	<u>4,860,317</u>
CAPITAL AND RESERVES			
Called up share capital	17	167	167
Retained earnings	18	<u>5,226,042</u>	<u>4,860,150</u>
SHAREHOLDERS' FUNDS		<u>5,226,209</u>	<u>4,860,317</u>

The financial statements were approved and authorised for issue by the Board of Directors on 27-07-2016 and were signed on its behalf by:


S N Nicholls - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2014	167	5,131,453	5,131,620
Changes in equity			
Dividends	-	(1,616,377)	(1,616,377)
Total comprehensive income	-	<u>1,345,074</u>	<u>1,345,074</u>
Balance at 31 March 2015	<u>167</u>	<u>4,860,150</u>	<u>4,860,317</u>
Changes in equity			
Dividends	-	(1,786,771)	(1,786,771)
Total comprehensive income	-	<u>2,152,663</u>	<u>2,152,663</u>
Balance at 31 March 2016	<u>167</u>	<u>5,226,042</u>	<u>5,226,209</u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	3,432,356	1,797,260
Tax paid		<u>(465,024)</u>	<u>(420,694)</u>
Net cash from operating activities		<u>2,967,332</u>	<u>1,376,566</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,048)	(238,883)
Sale of intangible fixed assets	1	1	-
Sale of tangible fixed assets		74,819	34,700
Interest received		<u>5,843</u>	<u>5,962</u>
Net cash from investing activities		<u>54,615</u>	<u>(198,221)</u>
Cash flows from financing activities			
Capital repayments in year		(6,793)	(5,803)
Amount introduced by directors		1,619,899	1,543,142
Amount withdrawn by directors		(1,562,353)	(172,475)
Equity dividends paid		<u>(1,786,771)</u>	<u>(1,616,377)</u>
Net cash from financing activities		<u>(1,736,018)</u>	<u>(251,513)</u>
Increase in cash and cash equivalents		<u>1,285,929</u>	<u>926,832</u>
Cash and cash equivalents at beginning of year	2	<u>4,279,947</u>	<u>3,353,115</u>
Cash and cash equivalents at end of year	2	<u><u>5,565,876</u></u>	<u><u>4,279,947</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	2,674,296	1,712,497
Depreciation charges	195,241	254,297
Loss on disposal of fixed assets	139,965	733
Finance income	(5,843)	(5,962)
	<u>3,003,659</u>	<u>1,961,565</u>
(Increase)/decrease in stocks	(55,953)	272,229
Decrease/(increase) in trade and other debtors	259,279	(399,480)
Increase/(decrease) in trade and other creditors	<u>225,371</u>	<u>(37,054)</u>
Cash generated from operations	<u>3,432,356</u>	<u>1,797,260</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016

	31/3/16	1/4/15
	£	£
Cash and cash equivalents	<u>5,565,876</u>	<u>4,279,947</u>

Year ended 31 March 2015

	31/3/15	1/4/14
	£	£
Cash and cash equivalents	<u>4,279,947</u>	<u>3,353,115</u>

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

1. STATUTORY INFORMATION

Complete Core Business Solutions Limited is a private company, limited by shares, incorporated in Wales in the United Kingdom. The registered office is Unit 6, Ynysboeth Factory Estate, Abercynon, Mountain Ash, CF45 4SF. The nature of the company's operations and principal activities are that of contract packing.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

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.

The company has chosen to adopt Financial Reporting Standard 102 (September 2015). There have been no material departures from Financial Reporting Standard 102.

These financial statements for the year ended 31 January 2016 are the first financial statements that comply with Financial Reporting Standard 102. The date of transition is 1 April 2014.

The transition to Financial Reporting Standard 102 has resulted in no changes to existing accounting policies which can be seen in the following notes.

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.

Freehold property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance

Fixed assets are stated at cost less depreciation.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items. Cost comprises the original purchase price, additional post purchase costs, less any stock write downs.

Finished goods are valued at the sales price as they are made to contract, and are recognised as a debtor.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an un-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of those obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits 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.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, trade and other creditors and interest free loans.

Unless otherwise stated, the carrying value of the company's financial assets and liabilities are a reasonable approximation of their fair values.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents are net of bank overdrafts which are repayable on demand.

Significant accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for impairment of trade debtors

The financial statements include a provision for impairment of trade debtors based on management's estimation of recoverability. There is a risk that the provision will not match the trade debtors that ultimately prove to be unrecoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Sale of goods	12,256,771	9,349,231
Rendering of services	455,706	938,273
	<u>12,712,477</u>	<u>10,287,504</u>

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	12,705,094	10,204,385
Overseas	7,383	83,119
	<u>12,712,477</u>	<u>10,287,504</u>

4. STAFF COSTS

	2016 £	2015 £
Wages and salaries	1,299,681	1,348,618
Social security costs	93,833	90,447
Other pension costs	88,718	85,007
	<u>1,482,232</u>	<u>1,524,072</u>

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

	2016	2015
Director	2	2
Administration	10	9
Production	31	28
	<u>43</u>	<u>39</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Hire of plant and machinery	10,074	13,430
Depreciation - owned assets	195,241	254,297
Loss on disposal of fixed assets	139,965	733
Foreign exchange differences	9,243	700
Operating lease payments	<u>66,177</u>	<u>59,841</u>
Directors' remuneration	21,153	20,572
Directors' pension contributions to money purchase schemes	<u>80,000</u>	<u>80,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2016	2015
Money purchase schemes	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>6,430</u>	<u>7,200</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	583,417	345,024
Deferred tax	<u>(61,784)</u>	<u>22,399</u>
Tax on profit on ordinary activities	<u>521,633</u>	<u>367,423</u>

Reconciliation of total tax charge included in profit and loss

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

	2016 £	2015 £
Profit on ordinary activities before tax	<u>2,674,296</u>	<u>1,712,497</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	534,859	359,624
Effects of:		
Expenses not deductible for tax purposes	<u>(13,226)</u>	<u>7,799</u>
Total tax charge	<u>521,633</u>	<u>367,423</u>

8. DIVIDENDS

	2016 £	2015 £
'A' Ordinary shares of £1 each		
Interim	65,000	-
Final	685,000	750,000
'B' Ordinary shares of £1 each		
Interim	80,869	-
Final	785,510	866,377
Dividend in specie	<u>170,392</u>	<u>-</u>
	<u>1,786,771</u>	<u>1,616,377</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2015	908,124	1,583,907	93,365	2,585,396
Additions	-	22,142	3,906	26,048
Disposals	-	(391,590)	(600)	(392,190)
At 31 March 2016	<u>908,124</u>	<u>1,214,459</u>	<u>96,671</u>	<u>2,219,254</u>
DEPRECIATION				
At 1 April 2015	47,992	616,061	36,471	700,524
Charge for year	15,162	168,257	11,822	195,241
Eliminated on disposal	-	(177,305)	(100)	(177,405)
At 31 March 2016	<u>63,154</u>	<u>607,013</u>	<u>48,193</u>	<u>718,360</u>
NET BOOK VALUE				
At 31 March 2016	<u>844,970</u>	<u>607,446</u>	<u>48,478</u>	<u>1,500,894</u>
At 31 March 2015	<u>860,132</u>	<u>967,846</u>	<u>56,894</u>	<u>1,884,872</u>

Included in plant and machinery is an asset on hire purchase, which has been secured against the relevant lease obligations.

10. STOCKS

	2016 £	2015 £
Raw materials	<u>859,653</u>	<u>803,700</u>

The total amount of stock recognised as an expense in the year was £7,743,727 (2015: £6,194,638).

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	628,125	1,152,080
Amounts recoverable on contract	140,979	58,918
Other debtors	163,139	-
Prepayments and accrued income	<u>26,264</u>	<u>6,788</u>
	<u>958,507</u>	<u>1,217,786</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Hire purchase contracts (see note 14)	7,276	6,793
Trade creditors	828,741	778,894
Corporation tax	223,417	105,024
VAT	579,624	380,653
Directors' current account	1,554,634	1,497,088
Accruals and deferred income	<u>365,487</u>	<u>388,934</u>
	<u>3,559,179</u>	<u>3,157,386</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Hire purchase contracts (see note 14)	<u>628</u>	<u>7,904</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	7,276	6,793
Between one and five years	<u>628</u>	<u>7,904</u>
	<u>7,904</u>	<u>14,697</u>
	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	67,770	62,502
Between one and five years	24,851	70,691
In more than five years	<u>2,690</u>	<u>4,000</u>
	<u>95,311</u>	<u>137,193</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Hire purchase contracts	<u>7,904</u>	<u>14,697</u>

Amounts owed in respect of hire purchase obligations are secured on the assets to which they relate.

16. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax	<u>98,914</u>	<u>160,698</u>
		Deferred tax
		£
Balance at 1 April 2015		160,698
Credit to Profit and loss account during year		<u>(61,784)</u>
Balance at 31 March 2016		<u>98,914</u>

The deferred tax balance has arisen due to fixed asset timing differences.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
100	'A' Ordinary	£1	100	100
67	'B' Ordinary	£1	<u>67</u>	<u>67</u>
			<u>167</u>	<u>167</u>

18. RESERVES

	Retained earnings £
At 1 April 2015	4,860,150
Profit for the year	2,152,663
Dividends	<u>(1,786,771)</u>
At 31 March 2016	<u>5,226,042</u>

19. PENSION COMMITMENTS

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. During the year pension contributions of £88,718 (2015: £85,007) were made to the scheme. There were outstanding payments at the end of the year of £1,387 (2015: £1,412).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

20. RELATED PARTY DISCLOSURES

During the year, the company entered into transactions, in the ordinary course of business, with its related parties. Transactions entered into, and balances outstanding at 31 March 2016 are as follows:

Name	Nature of transaction	2016 £	2015 £
Entities under common control	Sales	3,171	-
	Management charges receivable	162,190	-
Key management personnel	Dividends	1,500,000	1,499,998
	Emoluments	160,103	138,655
Other related parties	Dividends	116,379	116,379
	Sales	34,745	246,144

The following balances existed with the company's related parties as at 31 March 2016:

Name	Nature of balance	2016 £	2015 £
Entities under the company's control	Other debtor	163,139	-
Key management personnel	Loan account - creditor	1,554,634	1,497,088
Other related parties	Trade debtor	-	20,323

On the 1 September 2015, there was a demerger of the company, with £73,870 of fixed assets, £96,521 of stock and £1 of goodwill being transferred to the newly formed company (Complete Co-Packing Services Limited). The shares in the new company were transferred from Complete Core Business Solutions Limited to its shareholders through a dividend in specie transaction.

21. ULTIMATE CONTROLLING PARTY

The company was under the control of S N Nicholls throughout the year by virtue of his controlling interest in the share capital.

22. FIRST YEAR ADOPTION

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102). As a result of the transition to Financial Reporting Standard 102 there have been no changes to the opening balance sheet at 1 April 2014 or the closing balance sheet at 31 March 2015.

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016		2015	
	£	£	£	£
Sales		12,712,477		10,287,504
Cost of sales				
Opening stock	862,618		1,075,929	
Purchases	7,881,741		5,981,327	
Direct staff costs	1,045,180		1,058,436	
Social security	61,460✓		62,040	
Other direct costs	27,579		34,483	
Light, heat and power	52,964		53,091	
Storage and distribution	20,427		34,199	
	<u>9,951,969</u>		<u>8,299,505</u>	
Closing stock	(1,000,632)		(862,618)	
		<u>8,951,337</u>		<u>7,436,887</u>
GROSS PROFIT		3,761,140		2,850,617
(29.59% 2015 : 27.71%)				
Other income				
Sundry receipts	-		3,987	
Deposit account interest	305		-	
Interest receivable	5,538		5,962	
	<u>5,843</u>		<u>5,962</u>	
		<u>5,843</u>		<u>9,949</u>
		3,766,983		2,860,566
Expenditure				
Rent	18,500		39,560	
Rates and water	35,733		24,307	
Use of residence as office	520		520	
Insurance	27,339		53,060	
Waste	13,022		11,337	
Directors' remuneration	19,992		19,159	
Directors' social security	520✓		566	
Directors' pension contributions	80,000		80,000	
Wages	234,509		271,023	
Social security	31,853✓		27,841	
Pensions	8,718		5,007	
Hire of plant and machinery	10,074		13,430	
Telephone	6,301		11,469	
Post and stationery	4,211		5,471	
Advertising	11,235		16,649	
Travelling	952		1,209	
Motor expenses	30,046		28,114	
Security services	29,608		35,945	
Repairs and renewals	83,695		130,148	
Household and cleaning	16,427		9,232	
IT support and maintenance	11,563		11,892	
Staff costs	16,790		15,541	
Health insurance	12,335		13,753	
Recruitment and training	5,834		23,268	
Sundry expenses	872		1,672	
Accountancy	17,950		7,000	
Consultancy fees	2,462		20,302	
Legal and professional fees	7,246		2,801	
Auditors' remuneration	6,430		7,200	
Donations	253		142	
Foreign exchange losses	9,243		700	
	<u>754,233</u>	<u>3,766,983</u>	<u>888,318</u>	<u>2,860,566</u>
Carried forward				

This page does not form part of the statutory financial statements

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	2016		2015	
	£	£	£	£
Brought forward	754,233	3,766,983	888,318	2,860,566
Depreciation of tangible fixed assets	195,241		254,297	
Profit/loss on sale of intangible fixed assets	(1)		-	
Profit/loss on sale of tangible fixed assets	139,966		733	
Bad debts	-		189	
Entertainment	<u>540</u>		<u>1,315</u>	
		<u>1,089,979</u>		<u>1,144,852</u>
		2,677,004		1,715,714
Finance costs				
Bank charges		<u>2,708</u>		<u>3,217</u>
NET PROFIT		<u><u>2,674,296</u></u>		<u><u>1,712,497</u></u>