

**Company No. 05898744**

**ARVENSIS PACKAGING FILMS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST JULY 2014**



**WALTER DAWSON & SON**

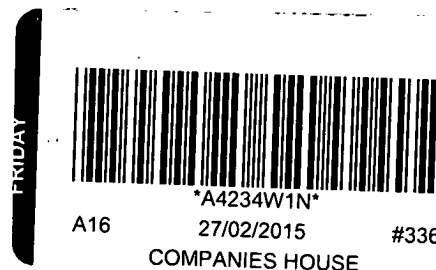
CHARTERED ACCOUNTANTS & STATUTORY AUDITOR

**7 Wellington Road East**

**Dewsbury**

**West Yorkshire**

**WF13 1HF**



ARVENSIS PACKAGING FILMS LIMITED  
REPORT AND FINANCIAL STATEMENTS

<u>Contents</u>	<u>Page</u>
Directors' Report	1 - 2.
Strategic Report	3.
Independent Auditor's Report	4 - 5.
Profit and Loss Account	6.
Balance Sheet	7.
Cash Flow Statement	8 - 10.
Notes to the Financial Statements	11 - 22.

ARVENSIS PACKAGING FILMS LIMITED  
DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31st July 2014.

1. Principal Activities

The activities of the company continued to be the manufacture and sale of rigid PET sheet.

2. Dividends and Results for the Year

The results for the year ended 31st July 2014 are shown in the profit and loss account on page 6. The directors recommend the payment of a dividend of £Nil (2013: £Nil).

3. Directors

The directors who served during the year, together with their interests in shares of the company, are as follows:

	<u>£1 Ordinary Shares</u>	
	<u>31st July 2014</u>	<u>1st August 2013</u>
Andrew Bairstow	0	0
Michelle Bairstow	0	0
Nicholas Bairstow	20	20
Stephen Dowe	0	0

4. Statement of Directors' Responsibilities

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 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:

- (a). select suitable accounting policies and then apply them consistently;
- (b). make judgements and accounting estimates that are reasonable and prudent;
- (c). state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (d). 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.

ARVENIS PACKAGING FILMS LIMITED  
DIRECTORS' REPORT

5. Statement of Disclosure of Information to Auditors

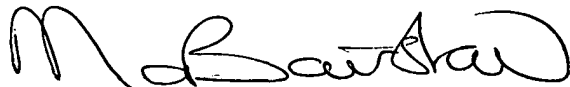
The directors of the company who held office at the date of approval of this Annual Report each confirm that:

- (a). so far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- (b). they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

6. Auditors

The auditors, Walter Dawson & Son, having expressed their willingness to continue in office, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board of Directors on 23rd January 2015 and signed on its behalf by:



Michelle Bairstow DIRECTOR

ARVENNIS PACKAGING FILMS LIMITED  
STRATEGIC REPORT

The directors present their strategic report for the year ended 31st July 2014.

1. Objectives and Activities

The activities of the company continued to be the manufacture of rigid PET sheet for sale into the food packaging market.

2. Achievements and Performance

During the financial year the company maintained its level of activity and turnover. Continued efficiency improvements enabled gross profitability to increase to 14.9% (2013 : 13.3%). The company has continued to improve operational performance and has created additional manufacturing capacity by focussing on the reduction of waste.

3. Financial Review

Turnover of £11,997,425 (2013 : £12,185,901) generated a gross profit of £1,787,837 (2013 : £1,619,525) and an EBITDA of £464,512 (2013 : £453,944). The directors are satisfied with the results for the year and are confident that profitability will be maintained and improved in the next financial year.

4. Future Prospects

The company will continue to supply its sister company, Promotional Forming and Finishing Limited /PFF Packaging Limited with food-grade rigid PET sheet. It will also continue to innovate new materials for the food packing industry.

This report was approved by the Board of Directors on 23rd January 2015 and signed on its behalf by:



Michelle Bairstow

DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ARVENSIS PACKAGING FILMS LIMITED

We have audited the financial statements of Arvensis Packaging Films Limited for the year ended 31st July 2014 on pages 6 to 22. 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).

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 Auditors

As explained more fully in the Directors' Responsibilities Statement set out 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 Auditing Practices Board'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 and Strategic 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:

- (a) give a true and fair view of the state of the company's affairs as at 31st July 2014 and of its profit for the year then ended;
- (b) have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- (c) have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ARVENSIS PACKAGING FILMS LIMITED

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

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



Graham Atkinson FCA (Senior Statutory Auditor)  
for and on behalf of Walter Dawson & Son, Statutory Auditor.

Chartered Accountants

7 Wellington Road East  
Dewsbury  
West Yorkshire  
WF13 1HF

23rd January 2015

ARVENSIS PACKAGING FILMS LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST JULY 2014

		<u>2014</u>	<u>2013</u>
	<u>Note</u>	£	£
<u>TURNOVER</u>	2	11,997,425	12,185,901
Cost of Sales		(10,209,588)	(10,566,376)
<u>GROSS PROFIT</u>		<u>1,787,837</u>	<u>1,619,525</u>
Distribution Costs		71,262	101,065
Administrative Expenses		<u>1,394,817</u>	<u>1,253,823</u>
		(1,466,079)	(1,354,888)
<u>OPERATING PROFIT</u>		<u>321,758</u>	<u>264,637</u>
Finance Costs	4	<u>(198,558)</u>	<u>(186,572)</u>
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE</u> <u>TAXATION</u>	5	123,200	78,065
Tax on Profit on Ordinary Activities	6	<u>1,453</u>	<u>(10,042)</u>
<u>PROFIT FOR THE FINANCIAL</u> <u>YEAR on Ordinary Activities After</u> <u>Taxation</u>	15	<u><u>124,653</u></u>	<u><u>68,023</u></u>

In each of the above years, the only gain recognised by the company was the profit for the year. All of the activities undertaken by the company were continuing activities, and the reported profit was found under the historical cost convention.



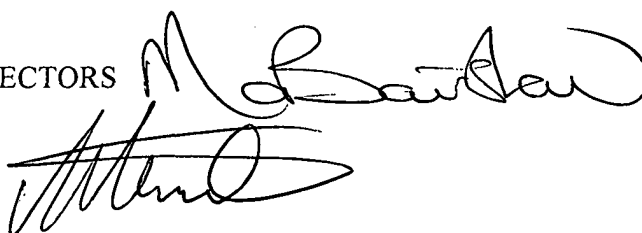
ARVENSIS PACKAGING FILMS LIMITED  
BALANCE SHEET AS AT 31ST JULY 2014

	Note	2014	2013
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	7	1,299,791	1,704,718
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	8	994,852	628,268
Debtors	9	1,444,754	1,192,630
Cash at Bank and in Hand		-	451
		<u>2,439,606</u>	<u>1,821,349</u>
<u>CREDITORS: Amounts Falling Due Within One Year</u>	10	<u>(2,315,469)</u>	<u>(2,465,785)</u>
<u>NET CURRENT ASSETS/(LIABILITIES)</u>		124,137	(644,436)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>1,423,928</u>	<u>1,060,282</u>
<u>CREDITORS: Amounts Falling Due After More Than One Year</u>	11	(757,009)	(516,115)
<u>PROVISION FOR LIABILITIES</u>			
Deferred Taxation	12	(132,775)	(134,676)
		<u>534,144</u>	<u>409,491</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	13	200	200
Profit and Loss Account	15	533,944	409,291
<u>SHAREHOLDERS' FUNDS</u>		<u>534,144</u>	<u>409,491</u>

The financial statements were approved and authorised for issue by the Board of Directors on 23rd January 2015 and signed on their behalf by:

Michelle Bairstow DIRECTORS

Andrew Bairstow



ARVENSIS PACKAGING FILMS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST JULY 2014

		<u>2014</u>	<u>2013</u>
	<u>Note</u>	£	£
<u>CASH FLOW FROM</u>			
<u>OPERATING ACTIVITIES</u>	1	(209,996)	797,894
<u>RETURNS ON INVESTMENTS</u>			
<u>AND SERVICING OF FINANCE</u>	2	(198,558)	(186,572)
<u>TAXATION</u>		-	19,228
<u>CAPITAL EXPENDITURE AND</u>			
<u>FINANCIAL INVESTMENTS</u>	2	255,831	(281,106)
<u>EQUITY DIVIDENDS PAID</u>		-	-
<u>CASH INFLOW / (OUTFLOW)</u>			
<u>BEFORE FINANCING</u>		(152,723)	349,444
<u>FINANCING</u>			
Issue of Shares		-	-
Increase/(Decrease) in Debt	2	45,224	(185,843)
		45,224	(185,843)
<u>INCREASE/(DECREASE) IN CASH</u>		<u>(107,499)</u>	<u>163,601</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET DEBT (NOTE 3)

	<u>2014</u>	<u>2013</u>
	£	£
<u>INCREASE/(DECREASE) IN CASH</u>	(107,499)	163,601
Cash Outflow from Movement in Debt and Hire Purchase Contracts and Lease Financing	<u>675,260</u>	<u>951,998</u>
<u>CHANGE IN NET DEBT</u>		
<u>RESULTING FROM CASH FLOWS</u>	567,761	1,115,599
New Hire Purchase Contracts and Finance Leases	(720,484)	(766,155)
<u>MOVEMENT IN NET DEBT</u>	<u>(152,723)</u>	<u>349,444</u>
Net Debt at 1st August 2013	(1,146,605)	(1,496,049)
Net Debt at 31st July 2014	<u>(1,299,328)</u>	<u>(1,146,605)</u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JULY 2014

1. Reconciliation of Operating Profit to Operating Cash Flows

	<u>2014</u>	<u>2013</u>
	£	£
Operating Profit	321,758	264,637
Depreciation	142,754	189,307
Loss on Sale of Fixed Assets	6,342	-
Increase in Stocks	(366,584)	(73,969)
(Increase)/Decrease in Debtors	(252,124)	735,728
Decrease in Creditors	(62,142)	(317,809)
<u>Net Cash Inflow/(Outflow) from Operating Activities</u>	<u>(209,996)</u>	<u>797,894</u>

2. Analysis of Cash Flows For Headings Netted in the Cash Flow Statement

(i) Returns on Investment and Servicing of Finance

	<u>2014</u>	<u>2013</u>
	£	£
Gain/(Loss) on Foreign Currency Transactions	-	(20,643)
Interest Paid	(20,824)	(32,896)
Interest Element of Hire Purchase Contracts and Finance Lease Payments	(177,734)	(133,033)
<u>Net Cash Outflow for Returns on Investments and Servicing of Finance</u>	<u>(198,558)</u>	<u>(186,572)</u>

(ii) Capital Expenditure and Financial Investment

	<u>2014</u>	<u>2013</u>
	£	£
Purchase of Tangible Fixed Assets	(4,272)	(281,106)
Sale of Tangible Fixed Assets	260,103	-
<u>Net Cash Inflow/(Outflow) for Capital Expenditure and Financial Investment</u>	<u>255,831</u>	<u>(281,106)</u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JULY 2014

2. Analysis of Cash Flows For Headings Netted in the Cash Flow Statement (continued)

(iii) <u>Financing</u>	<u>2014</u> £	<u>2013</u> £
Issue of Ordinary Share Capital	-	-
Debt Due Within One Year:		
New Bank Loans Obtained	45,050	-
Repayment of Bank Loans	(89,322)	(56,369)
Debt Due Beyond One Year:		
New Bank Loans Obtained	97,951	-
Repayment of Bank Loans	(22,917)	(112,432)
Capital Element of Hire Purchase Contracts and Finance Lease Payments	14,462	(17,042)
<u>Net Cash Inflow/(Outflow) from Financing</u>	<u>45,224</u>	<u>(185,843)</u>

3. Analysis of Net Debt

	At 1st August 2013	Cashflows	Other Non Cash Changes	At 31st July 2014
	£	£	£	£
Cash at Bank and in Hand	451	(451)	-	-
Bank Overdraft	(69,842)	(107,048)	-	(176,890)
Bank Loans Due After One Year	(22,917)	(45,244)	-	(68,161)
Bank Loans Due Within One Year	(112,433)	14,482	-	(97,951)
Hire Purchase Contracts and Finance Leases	(941,864)	706,022	675,260	(720,484)
				(956,326)
<u>Total</u>	<u>(1,146,605)</u>		<u>567,761</u>	<u>(1,299,328)</u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are as follows:

(a). Accounting Convention

The financial statements are prepared under the historical cost convention.

(b). Tangible Fixed Assets

Depreciation is provided on a reducing balance basis over the expected useful lives of each category of tangible fixed assets:

Plant and Machinery	10 to 25% per annum on written down value
Motor Vehicles	25% per annum on written down value
Fixtures and Fittings	25% per annum on written down value

(c). Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

(d). Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts and the relating obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreements. The excess of the payments over the recorded obligations are treated as finance charges which are amortised over the term of each agreement to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

(e). Finance Costs of Debt

The finance costs of debt, including interest and issue costs, are allocated to each period over the term of the debt and charged to the profit and loss account at a constant rate on the outstanding amount.

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

1. ACCOUNTING POLICIES (continued)

(f). Deferred Taxation

Deferred taxation is recognised in respect of all timing differences, between the treatment of certain items for accounts purposes and their treatment for tax purposes, that have originated but not reversed by the balance sheet date.

Deferred taxation is not recognised when assets are revalued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains and losses expected to arise on sale or where assets have been sold and it is expected that the taxable gain will be rolled over into a replacement asset.

(g). Pension Costs

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

(h). Foreign Currency Translations

Assets and liabilities denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the average rate for the year. All exchange differences are dealt with through the profit and loss account.

(i). Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful life of the relevant assets.

2. TURNOVER

Turnover represents the value of goods sold and the services provided net of value added tax.

The turnover and profit before taxation is attributable to the company's principal activity.

The geographical analysis of turnover is as follows:

	<u>2014</u>	<u>2013</u>
	£	£
United Kingdom	11,500,058	11,777,213
Europe	497,367	408,688
	<u>11,997,425</u>	<u>12,185,901</u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
<u>Directors' Remuneration:</u>		
Salary	87,000	81,750
Benefits in Kind	5,318	5,881
	<u>92,318</u>	<u>87,631</u>
Pension Contributions Under A Money Purchase Scheme	-	-
	<u>92,318</u>	<u>87,631</u>
<u>Number of Directors for Whom Pension Benefits Are Accrued Under:</u>	<u>No.</u>	<u>No.</u>
A Defined Benefit Scheme	0	0
A Money Purchase Scheme	0	0
	<u>0</u>	<u>0</u>
<u>Highest Paid Director:</u>	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Remuneration	39,564	39,550
Defined Benefit Pension Scheme:		
Accrued Pension	-	-
Accrued Lump Sum	-	-
	<u>39,564</u>	<u>39,550</u>
<u>Employee Costs During the Year:</u>	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Wages and Salaries	798,749	879,860
Social Security Costs	67,940	66,973
Other Pension Costs	2,700	855
	<u>869,389</u>	<u>947,688</u>
<u>Average Number of Persons Employed:</u>	<u>No.</u>	<u>No.</u>
Distribution and Selling	1	1
Production	26	26
Administration	1	1
	<u>28</u>	<u>28</u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

4. <u>FINANCE COSTS</u>	<u>2014</u>	<u>2013</u>
	£	£
Interest on Bank Overdrafts	2,437	5,031
Interest Payable and Issue Costs on Loans	6,043	16,707
Finance Charges on Finance Leases and Hire Purchase Contracts	177,734	133,033
Interest on Debt Financing Advances	12,169	11,158
Loss on Foreign Currency Translations	-	20,643
Other Interest	175	-
	<u>198,558</u>	<u>186,572</u>
5. <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>2014</u>	<u>2013</u>
	£	£
<u>Profit on Ordinary Activities</u> <u>before Taxation is After Charging:</u>		
Debt Financing Charges	4,598	5,503
Depreciation	142,754	189,307
Loss on Sale of Fixed Assets	6,342	-
Auditor's Remuneration:		
Audit Work	5,350	2,400
Taxation	-	-
Other Services	-	-
Rentals Under Operating Leases:		
Hire of Plant and Machinery	-	1,829
Other Operating Leases	<u>139,950</u>	<u>139,950</u>



ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2014</u>		<u>2013</u>
	£	£	£
<u>Current Tax:</u>			
UK Corporation Tax on the Profit for the Year	448		-
Interest on Late Payment of Prior Years Tax	-		(251)
	448		(251)
<u>Deferred Taxation:</u>			
Origination and Reversal of Timing Differences	(1,901)		10,293
	<u>(1,453)</u>		<u>10,042</u>

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 20% (2013: 20%). The differences are explained as follows:

	<u>2014</u>	<u>2013</u>
	£	£
Profit on Ordinary Activities before Tax	<u>123,200</u>	<u>78,065</u>
Profit on Ordinary Activities Multiplied by Standard Rate of Corporation Tax in the UK of 20% (2013: 20%)	24,640	15,613
<u>Effects of:</u>		
Expenses not Deductible for Tax Purposes	3,414	1,490
Depreciation for Year in Excess of Capital Allowances	1,901	(10,282)
Group Loss Relief	(29,507)	(6,821)
Adjustments to Tax Charge in Respect of Prior Years	-	(251)
Current Tax Charge for Year	<u>448</u>	<u>(251)</u>

Based on the current capital investment plans, the company expects to be able to continue to claim capital allowances in excess of depreciation in future years.

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

7. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant and Machinery	Fixtures and Fittings	Total
	£	£	£	£
<u>Cost:</u>				
At 1st August 2013	20,303	2,936,086	10,450	2,966,839
Additions	-	2,734	1,538	4,272
Disposals	-	(38,568)	(230)	(38,798)
Transfer to Group Company	-	(387,556)	-	(387,556)
At 31st July 2014	<u>20,303</u>	<u>2,512,696</u>	<u>11,758</u>	<u>2,544,757</u>
<u>Depreciation:</u>				
At 1st August 2013	16,715	1,237,458	7,948	1,262,121
Disposals	-	(12,226)	(230)	(12,456)
Charge for Year	811	141,038	904	142,753
Transfer to Group Company	-	(147,453)	-	(147,453)
At 31st July 2014	<u>17,526</u>	<u>1,218,817</u>	<u>8,622</u>	<u>1,244,965</u>
<u>Net Book Value:</u>				
At 31st July 2014	<u>2,777</u>	<u>1,293,879</u>	<u>3,135</u>	<u>1,299,791</u>
At 31st July 2013	<u>3,588</u>	<u>1,698,628</u>	<u>2,502</u>	<u>1,704,718</u>

The net book value of tangible fixed assets includes £949,082 (2013: £1,319,674) in respect of assets held under hire purchase contracts and finance leases. The depreciation charge for the year on those assets amounted to £110,489 (2013: £146,631).

8. STOCK AND WORK IN PROGRESS

	2014	2013
	£	£
Raw Materials	883,374	559,115
Finished Goods	111,478	69,153
	<u>994,852</u>	<u>628,268</u>

The directors believe the replacement cost of stock at the balance sheet date is not materially different from the amount shown above.

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

9. DEBTORS

	<u>2014</u>	<u>2013</u>
	£	£
Trade Debtors	416,817	714,356
<u>Less: Debt Factoring Advances</u>	<u>(172,069)</u>	<u>(287,122)</u>
	244,748	427,234
Amount Owed by Related Party	-	153,864
Amount Owed by Group Company	1,118,584	499,063
Other Debtors	74,774	110,307
Prepayments and Accrued Income	6,648	2,162
	<u><u>1,444,754</u></u>	<u><u>1,192,630</u></u>

The debt factoring advances are secured on the trade book debts of the company.

10. CREDITORS: Amounts Falling Due Within  
One Year

	<u>2014</u>	<u>2013</u>
	£	£
Bank Loan and Overdraft	245,051	182,275
Trade Creditors	1,680,415	1,775,656
Obligations Under Finance Leases and Hire Purchase Contracts	297,268	448,666
Other Taxes and Social Security	63,368	20,212
Corporation Tax	448	-
Directors' Loans	11,026	11,026
Other Creditors	12,587	9,300
Accruals and Deferred Income	5,306	18,650
	<u><u>2,315,469</u></u>	<u><u>2,465,785</u></u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

11. CREDITORS: Amounts Falling Due After  
More Than One Year

	<u>2014</u>	<u>2013</u>
	£	£
Bank Loan	97,951	22,917
Obligations Under Finance Leases and Hire Purchase Contracts	659,058	493,198
	<u>757,009</u>	<u>516,115</u>

Analysis of Borrowings Under Bank Loans:

	<u>2014</u>	<u>2013</u>
	£	£
Due Within One Year	68,161	112,433
Due Between One and Two Years	50,764	22,917
Due Between Two and Five Years	47,187	-
Due After Five Years or More	-	-
	<u>166,112</u>	<u>135,350</u>

Total Amount Falling Due After Five Years  
Not Repayable by Instalments

- -

Total Amount Repayable by Instalments Which  
Fall Due For Payment After Five Years

- -

<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

Interest on the bank loan, which is repayable on 31st October 2014, is charged at a commercial rate of interest. The bank loan and overdraft are secured by a group cross guarantee, and a debenture giving a fixed and a group floating charge over all assets of the company, and its other group companies.

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

11. CREDITORS: Amounts Falling Due After  
More Than One Year (continued)

Obligations Under Finance Leases and Hire  
Purchase Contracts:

	<u>2014</u>	<u>2013</u>
	£	£
Due Within One Year	428,193	544,979
Due Between One and Five Years	756,228	612,134
Due After Five Years or More	-	-
	<u>1,184,421</u>	<u>1,157,113</u>
<u>Less:</u>		
Finance Charges Allocated to Future Years	(228,095)	(215,249)
	<u><u>956,326</u></u>	<u><u>941,864</u></u>

The obligations under finance leases and hire purchase contracts are secured by a charge on the assets purchased under these agreements.

A Bairstow and M Bairstow, who are directors of the company, have also given a personal guarantee, joint and severally, of £75,000 against a hire purchase agreement of the company.

12. PROVISIONS FOR LIABILITIES

	<u>2014</u>	<u>2013</u>
	£	£
<u>Provision for Deferred Taxation:</u>		
At 1st August 2013	134,676	124,383
Amount Transferred to or from the Profit and Loss Account in the Year	(1,901)	10,293
At 31st July 2014	<u><u>132,775</u></u>	<u><u>134,676</u></u>

A provision for deferred taxation has been made in these financial statements as above. The amount provided is made up as follows:

	<u>2014</u>	<u>2013</u>
	£	£
Accelerated Capital Allowances	132,775	134,676
<u>Less: Unrelieved Tax Losses</u>	-	-
	<u><u>132,775</u></u>	<u><u>134,676</u></u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

13. CALLED UP SHARE CAPITAL

	<u>2014</u>	<u>Allotted and Fully Paid</u>	<u>2013</u>
	<u>£</u>		<u>£</u>
<u>Equity Shares:</u>			
Ordinary Shares of £1 each	<u>200</u>		<u>200</u>

14. RECONCILIATION OF MOVEMENT IN  
SHAREHOLDERS FUNDS

	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Profit for the Financial Year	124,653	68,023
Dividends	-	-
Net Addition to Shareholders Funds	<u>124,653</u>	<u>68,023</u>
Shareholders Funds as at 1st August 2013	<u>409,491</u>	<u>341,468</u>
Shareholders Funds as at 31st July 2014	<u>534,144</u>	<u>409,491</u>

15. RESERVES

	<u>2014</u>	<u>Profit and Loss Account</u>	<u>2013</u>
	<u>£</u>		<u>£</u>
At 1st August 2013	409,291		341,268
Profit for the Year	124,653		68,023
Dividends on Ordinary Shares Paid in the Year	-		-
At 31st July 2014	<u>533,944</u>		<u>409,291</u>

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

16. OPERATING LEASES

At 31st July 2014 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings £	Other £
<u>Leases Which Expire:</u>		
Within One Year	-	-
Between One to Five Years	139,950	-
After Five Years	-	-
	<u>139,950</u>	<u>-</u>

17. PENSION COMMITMENTS

The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £2,700 (2013: £855). Contributions totalling £Nil (2013: £Nil) were payable at the year end and are included in creditors.

18. RELATED PARTY TRANSACTIONS

Mr Andrew Bairstow and Mrs Michelle Bairstow through their control of the shares in the parent company and together with their involvement in its day-to-day management, are deemed to be the controlling parties for the purpose of Financial Reporting Standard No. 8.

During the period ended 31st July 2014 the following transactions took place between Arvensis Packaging Films Limited and its related parties:

The company operates from premises owned by J & H Property Management Limited who until 1 January 2012 was a group company and from 1 January 2012 was a related party due to it being under the control of Andrew and Michelle Bairstow. Rent of £139,950 (2013: £139,950) was paid in the period. Electricity was recharged to Arvensis Packaging Films of £521,753 (2013: £479,769).

The following transactions took place with Promotional Forming and Finishing Limited, a group company. Sales of £9,031,606 (2013: £9,462,333), purchase of waste material for reprocessing of £3,821,913 (2013: £3,925,402) and management charges for administration and management provided of £355,908 (2013: £329,230). Due to the premises used being shared with Promotional Forming and Finishing Limited, rates, insurance and some miscellaneous expenses are also recharged amounting to £20,903 (2013: £99,428). A fixed asset with a net book value of £Nil (2013: £266,781) was transferred to Arvensis Packaging Films Limited during the year.

ARVENSIS PACKAGING FILMS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31ST JULY 2014

18. RELATED PARTY TRANSACTIONS (continued)

A fixed asset with a net book value of £240,103 (2013: £Nil) was transferred from Arvensis Packaging Films Limited to PFF Packaging Limited.

Debtors includes the following amounts owed by other group companies:

Name	2014	2013
	£	£
Promotional Forming and Finishing Limited	1,116,685	497,164
PFF Packaging Limited	1,899	1,899
	<u>1,118,584</u>	<u>499,063</u>

Debtors includes the following amounts owed by related parties:

Name	2014	2013
	£	£
J & H Property Management Limited	-	153,864
	<u>-</u>	<u>153,864</u>

Creditors falling due within one year includes the following directors' loans:

Name	2014	2013
	£	£
Nicholas Bairstow	11,026	11,026
	<u>11,026</u>	<u>11,026</u>

19. THE PARENT COMPANY

The parent company is PFF Packaging Limited, a company registered in England.

20. CONTINGENT LIABILITIES

The company bankers hold as security cross guarantee's against the bank borrowings of other group companies. As at 31st July 2014, this liability amounted to £2,117,082 (2013: £2,580,264).