

**Diamondpak Limited**  
**Financial Statements**  
**31 December 2022**

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# **Diamondpak Limited**

## **Financial Statements**

**Year ended 31 December 2022**

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# **Diamondpak Limited**

## **Officers and Professional Advisers**

### **The board of directors**

Mr R C Davies  
Mr P Duce  
Mr G J Jones (Resigned 7 April 2022)

### **Company secretary**

Mr R C Davies

### **Registered office**

Unit 2 Trico Warehouse  
Skewfields Roundabout  
Pontypool  
Wales  
NP4 0XZ

### **Auditor**

Evens & Co Ltd  
Chartered Accountants & Statutory Auditor  
Hamilton House  
Hamilton Terrace  
Milford Haven  
Pembrokeshire  
SA73 3JP

### **Solicitors**

Kelly Salter  
31 Quay Street  
Ammanford  
Wales  
SA18 3BS

# **Diamondpak Limited**

## **Strategic Report**

### **Year ended 31 December 2022**

The directors present their strategic report of the company for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of the company in the year under review was the design and manufacture of speciality bespoke corrugated products.

The company has a reputation in the protective packaging and decorative packaging sectors for innovation, design and the manufacture of the most challenging cardboard technology products as well as supplying a "full line" of more traditional corrugated packaging products.

#### **Review of business and future developments**

The directors are satisfied with the financial performance of the business and are excited about the growth opportunities that exist within the corrugated sector.

The prior year operating profit was £1,012,971 which has increased in the current year to a profit of £1,146,163 and the prior year profit after taxation of £807,204 has shown a decrease to a current year profit after tax of £603,954.

The company prides itself on providing an innovative client focused, professional service serving the UK and some international markets. The company is mindful of developing opportunities in relation to new business markets. Consideration of such opportunities is made within the context of ensuring that any advancement would not in any way detract or impact upon the effectiveness of the company's current business model.

The primary aim of the company would therefore be to ensure that any new business could be taken forward in a manner which, is consistent with the high standard and professional approach which the company's clients have come to expect. The directors believe that the company is in a good financial position and that the risks that have been identified are being well managed. The directors continue to review the state of the market and the activities of competitors. The directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectation.

#### **Key performance indicators**

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, those being turnover, gross profit, operating profit and profit on ordinary activities before taxation as set out in the statement of comprehensive income. The primary indicator reflects the significant growth in the reported EBITDA from £1,381,229 in 2021 to £1,835,431 in 2022.

#### **Principal risks and uncertainties**

The company faces a number of risks and uncertainties due to trading conditions and a competitive UK landscape. In view of this, the directors are looking carefully at both existing and potential new markets. The key business risks effecting the company are set out below:

##### **New competitors**

The company's services have seen clients changing approach to offering contracts in this area.

The directors have taken a strategic decision to continue to invest in new equipment and technology to provide the best service to our customers.

The company manages its financial risk by securing long-term cost effective funding for its operations and insuring its debtor book.

##### **Economy**

The company is aware of significant price changes in fuel and materials arising during and after the year end and has considered the effect that the war in Ukraine will have on UK prices and supply. The company considers that the changes will not have a material effect on the business.

#### **Environmental policy**

As a responsible employer and member of the community, the company takes its impact on the environment seriously and constantly seeks ways to reduce any negative environmental impact by working

# Diamondpak Limited

## Strategic Report

Year ended 31 December 2022

The directors present their strategic report of the company for the year ended 31 December 2022.

### Principal activity

The principal activity of the company in the year under review was that of the manufacture and wholesale of cardboard products.

The company has a reputation in the cardboard product sector and developed a strong customer base that reflects its quality product range.

### Review of business and future developments

The directors are satisfied with the financial performance of the business and remain excited about the growth opportunities that exist within the cardboard product sector.

The prior year operating profit was £1,012,971 which has increased in the current year to a profit of £1,146,163 and the prior year profit after taxation of £807,204 has shown a decrease to a current year profit after tax of £603,954.

The company prides itself on providing a client focused, professional service and in doing so continues to operate within Wales.

The company is mindful of developing opportunities in relation to new business markets. Consideration of such opportunities is made within the context of ensuring that any advancement would not in any way detract or impact upon the effectiveness of the company's current business model.

The primary aim of the company would therefore be to ensure that any new business could be taken forward in a manner which, is consistent with the high standard and professional approach which the company's clients have come to expect.

The directors believe that the company is in a good financial position and that the risks that have been identified are being well managed. The directors continue to review the state of the market and the activities of competitors. The directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectation.

### Key performance indicators

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, those being turnover, gross profit, operating profit and profit on ordinary activities before taxation as set out in the statement of comprehensive income.

### Principal risks and uncertainties

The company faces a number of risks and uncertainties due to trading conditions and new competitors. In view of this, the directors are looking carefully at both existing and potential new markets. The key business risks effecting the company are set out below:

#### New competitors

The company's services have seen clients changing approach to offering contracts in this area.

The directors have taken a strategic decision to continue to invest in new equipment and technology to provide the best service to our customers.

The company manages its financial risk by securing cost effective funding for its operations.

#### Economy

The company is aware of significant price changes in fuel and materials arising during and after the year end and has considered the effect that the war in Ukraine will have on UK prices and supply. The company considers that the changes will not have a material effect on the business.

### Environmental policy

As a responsible employer and member of the community, the company takes its impact on the environment seriously and constantly seeks ways to reduce any negative environmental impact by working

# **Diamondpak Limited**

## **Strategic Report** *(continued)*

### **Year ended 31 December 2022**

responsibly and considerately. The company works actively to improve the local environment. One of their commitments is to reduce, re-use, recycle waste materials as far as they possibly can, so that they cut the amount of waste their business produces.

#### **Health and safety**

The company's commitment to health and safety is paramount and can be recognised by our membership to various governing bodies.

The company has continually developed its Quality Management Systems and its Health and Safety Policy and is firmly committed to a pro-active programme of implementation in attaining the beneficial objectives laid down.

The company continues to invest and develop in the strength and depth of direct labour resources in all trades, allowing full control and flexibility of resources whilst enhancing the quality of service and products.

#### **Credit risk**

The company's objective is to reduce the risk of financial loss due to a customer's failure to honour its obligations. Standard payment terms for contracts provide for regular payments against the full contract value. The creditworthiness of new customers is assessed by the company prior to entering into a contract with them. The company actively manages the collection of payments to ensure that they are received promptly and in accordance with agreed terms, thereby ensuring that the company's exposure to bad debts is minimised. Since the year end, the recovery of debtors has been subject to greater discipline for ensuring contract payment dates are monitored and achieved.

#### **Financial instruments**

The company's principal financial instruments comprise of bank balances, overdraft facility, trade debtors and trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business operations.

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling. The company does not enter into any formally designated hedging arrangements.

This report was approved by the board of directors on 27 September 2023 and signed on behalf of the board by:



Mr R C Davies  
Director

# **Diamondpak Limited**

## **Directors' Report**

### **Year ended 31 December 2022**

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

#### **Directors**

The directors who served the company during the year were as follows:

Mr R C Davies

Mr P Duce

Mr G J Jones

(Resigned 7 April 2022)

#### **Dividends**

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

#### **Disclosure of information in the strategic report**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 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 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.

#### **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.

# **Diamondpak Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2022**

This report was approved by the board of directors on 27 September 2023 and signed on behalf of the board by:



Mr R C Davies  
Director



# **Diamondpak Limited**

## **Independent Auditor's Report to the Members of Diamondpak Limited**

**Year ended 31 December 2022**

### **Opinion**

We have audited the financial statements of Diamondpak Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Diamondpak Limited**

## **Independent Auditor's Report to the Members of Diamondpak Limited** *(continued)*

**Year ended 31 December 2022**

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors report thereon. The director is responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other matter**

Comparative information in the financial statements is derived from the companys prior period financial statements which were not audited.

### **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 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.

### **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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

# **Diamondpak Limited**

## **Independent Auditor's Report to the Members of Diamondpak Limited (continued)**

**Year ended 31 December 2022**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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:

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms a part of our auditor's report.

# Diamondpak Limited

## Independent Auditor's Report to the Members of Diamondpak Limited *(continued)*

### Year ended 31 December 2022

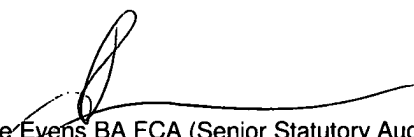
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



Bruce Evens BA FCA (Senior Statutory Auditor)

For and on behalf of  
Evens & Co Ltd  
Chartered Accountants & Statutory Auditor  
Hamilton House  
Hamilton Terrace  
Milford Haven  
Pembrokeshire  
SA73 3JP

27 September 2023

# Diamondpak Limited

## Statement of Comprehensive Income

Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	15,933,466	13,572,909
Cost of sales		(11,422,943)	(9,753,735)
Gross profit		4,510,523	3,819,174
Administrative expenses		(3,389,360)	(2,806,203)
Other operating income	5	25,000	—
Operating profit	6	1,146,163	1,012,971
Interest payable and similar expenses		(72,977)	(45,359)
Profit before taxation		1,073,186	967,612
Tax on profit	10	(469,232)	(160,408)
Profit for the financial year and total comprehensive income		603,954	807,204

All the activities of the company are from continuing operations.

The notes on pages 14 to 24 form part of these financial statements.

# Diamondpak Limited

## Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	4,103,859	3,547,934
<b>Current assets</b>			
Stocks	14	287,329	328,995
Debtors	15	3,824,695	3,181,400
Cash at bank and in hand		123,800	202,231
		<u>4,235,824</u>	<u>3,712,626</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(3,863,595)</u>	<u>(3,921,341)</u>
<b>Net current assets/(liabilities)</b>		<u>372,229</u>	<u>(208,715)</u>
<b>Total assets less current liabilities</b>		<u>4,476,088</u>	<u>3,339,219</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(1,336,650)</u>	<u>(872,262)</u>
<b>Provisions</b>	19	<u>(826,927)</u>	<u>(307,000)</u>
<b>Net assets</b>		<u>2,312,511</u>	<u>2,159,957</u>
<b>Capital and reserves</b>			
Called up share capital	23	8,200	9,000
Share premium account	24	100,000	100,000
Capital redemption reserve	24	1,800	1,000
Profit and loss account	24	2,202,511	2,049,957
<b>Shareholders funds</b>		<u>2,312,511</u>	<u>2,159,957</u>

These financial statements were approved by the board of directors and authorised for issue on 27 September 2023, and are signed on behalf of the board by:



Mr R C Davies  
Director

Company registration number: 6224800

The notes on pages 14 to 24 form part of these financial statements.

# Diamondpak Limited

## Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 January 2021</b>	10,000	100,000	–	1,506,033	1,616,033
Profit for the year	—	—	—	807,204	807,204
<b>Total comprehensive income for the year</b>	—	—	—	807,204	807,204
Dividends paid and payable 11	—	—	—	(143,280)	(143,280)
Cancellation of subscribed capital	(1,000)	—	—	—	(1,000)
Redemption of shares	—	—	1,000	(120,000)	(119,000)
<b>Total investments by and distributions to owners</b>	(1,000)	—	1,000	(263,280)	(263,280)
<b>At 31 December 2021</b>	9,000	100,000	1,000	2,049,957	<b>2,159,957</b>
Profit for the year	—	—	—	603,954	603,954
<b>Total comprehensive income for the year</b>	—	—	—	603,954	603,954
Dividends paid and payable 11	—	—	—	(360,400)	(360,400)
Cancellation of subscribed capital	(800)	—	—	—	(800)
Redemption of shares	—	—	800	(91,000)	(90,200)
<b>Total investments by and distributions to owners</b>	(800)	—	800	(451,400)	(451,400)
<b>At 31 December 2022</b>	<u>8,200</u>	<u>100,000</u>	<u>1,800</u>	<u>2,202,511</u>	<u><b>2,312,511</b></u>

The notes on pages 14 to 24 form part of these financial statements.

# Diamondpak Limited

## Statement of Cash Flows

Year ended 31 December 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	603,954	807,204
<i>Adjustments for:</i>		
Depreciation of tangible assets	689,268	368,258
Government grant income	(25,000)	–
Interest payable and similar expenses	72,977	45,359
Loss/(gains) on disposal of tangible assets	3,360	(22,097)
Tax on profit	469,232	160,408
<i>Changes in:</i>		
Stocks	41,666	(115,400)
Trade and other debtors	(643,295)	(1,019,387)
Trade and other creditors	(70,392)	1,392,811
Cash generated from operations	1,141,770	1,617,156
Interest paid	(72,977)	(45,359)
Tax received	50,695	66,792
Net cash from operating activities	<u>1,119,488</u>	<u>1,638,589</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(1,268,553)	(1,245,772)
Proceeds from sale of tangible assets	20,000	29,289
Net cash used in investing activities	<u>(1,248,553)</u>	<u>(1,216,483)</u>
<b>Cash flows from financing activities</b>		
Purchase of own shares	(91,000)	(120,000)
Proceeds from borrowings	(31,353)	(90,915)
Government grant income	25,000	–
Payments of finance lease liabilities	508,387	106,139
Dividends paid	(360,400)	(143,280)
Net cash from/(used in) financing activities	<u>50,634</u>	<u>(248,056)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(78,431)</b>	<b>174,050</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>202,231</b>	<b>28,181</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>123,800</u></b>	<b><u>202,231</u></b>

The notes on pages 14 to 24 form part of these financial statements.



# **Diamondpak Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2022**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 2 Trico Warehouse, Skewfields Roundabout, Pontypool, NP4 0XZ, Wales.

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

These financial statements have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Significant judgements**

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Tangible fixed assets** - Tangible fixed assets are depreciated over their useful lives taking account of their residual values, where appropriate. The actual lives and residual values of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Impairment** - Determination of whether there are indicators of impairment of the Company's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Depreciation and the estimation of useful economic life.

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 3. Accounting policies *(continued)*

##### Revenue recognition

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 profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, 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.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

##### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 3. Accounting policies *(continued)*

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### 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:

Long leasehold property	-	Over the term of the lease
Plant and machinery	-	2 - 20 Years on a straight line basis
Motor vehicles	-	5 Years on a straight line basis

##### Impairment of fixed assets

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.

For the purposes of impairment testing, 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 largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### 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 stock to its present location and condition.

##### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 3. Accounting policies *(continued)*

##### 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.

Government grants are recognised using the accrual model.

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.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

##### 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 as a finance cost in profit or loss in the period it arises.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity 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 as a finance cost in profit or loss in the period in which it arises.

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 4. Turnover

Turnover arises from:

	2022 £	2021 £
Sale of goods	<u>15,933,466</u>	<u>13,572,909</u>

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

### 5. Other operating income

	2022 £	2021 £
Government grant income	<u>25,000</u>	<u>—</u>

### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Depreciation of tangible assets	689,268	368,258
Loss/(gains) on disposal of tangible assets	3,360	(22,097)
Impairment of trade debtors	<u>(7,400)</u>	<u>26,400</u>

### 7. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>7,500</u>	<u>—</u>

### 8. Staff costs

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

	2022 No.	2021 No.
Production staff	<u>115</u>	<u>109</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	1,199,388	1,079,671
Other pension costs	<u>41,243</u>	<u>43,136</u>
	<u>1,240,631</u>	<u>1,122,807</u>

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	75,196	96,007
Company contributions to defined contribution pension plans	20,000	22,059
	<u>95,196</u>	<u>118,066</u>

#### 10. Tax on profit

##### Major components of tax expense

	2022	2021
	£	£
<b>Current tax:</b>		
Adjustments in respect of prior periods	(50,695)	(66,792)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	519,927	227,200
<b>Tax on profit</b>	<u>469,232</u>	<u>160,408</u>

#### 11. Dividends

	2022	2021
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>360,400</u>	<u>143,280</u>

#### 12. Intangible assets

	Goodwill
	£
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	<u>31,500</u>
<b>Amortisation</b>	
At 1 January 2022 and 31 December 2022	<u>31,500</u>
<b>Carrying amount</b>	
At 31 December 2022	—
At 31 December 2021	—

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 13. Tangible assets

	Long leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2022	190,000	4,863,278	284,296	<b>5,337,574</b>
Additions	—	1,184,103	84,450	<b>1,268,553</b>
Disposals	—	(219,800)	—	<b>(219,800)</b>
<b>At 31 December 2022</b>	<b>190,000</b>	<b>5,827,581</b>	<b>368,746</b>	<b>6,386,327</b>
<b>Depreciation</b>				
At 1 January 2022	30,233	1,643,295	116,112	<b>1,789,640</b>
Charge for the year	5,454	618,052	65,762	<b>689,268</b>
Disposals	—	(196,440)	—	<b>(196,440)</b>
<b>At 31 December 2022</b>	<b>35,687</b>	<b>2,064,907</b>	<b>181,874</b>	<b>2,282,468</b>
<b>Carrying amount</b>				
<b>At 31 December 2022</b>	<b>154,313</b>	<b>3,762,674</b>	<b>186,872</b>	<b>4,103,859</b>
At 31 December 2021	159,767	3,219,983	168,184	3,547,934

### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
<b>At 31 December 2022</b>	<b>2,325,878</b>
At 31 December 2021	2,626,840

### 14. Stocks

	2022 £	2021 £
Raw materials and consumables	<b>287,329</b>	328,995

### 15. Debtors

	2022 £	2021 £
Trade debtors	<b>3,272,597</b>	2,777,529
Other debtors	<b>552,098</b>	403,871
	<b>3,824,695</b>	3,181,400

Other debtors include an amount of £nil (2021 - £nil) falling due after more than one year.

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts (secured)	10,000	31,722
Trade creditors	2,638,585	2,494,773
Social security and other taxes	304,430	245,710
Obligations under finance leases and hire purchase contracts	495,468	351,100
Other creditors	415,112	798,036
	<u>3,863,595</u>	<u>3,921,341</u>

Security is given to Venture Finance Plc by way of a fixed and floating charge over all the property or undertaking of the company dated 24 January 2008.

Security is given to Finance Wales Investments Limited by way of a charge over certain assets of the company dated 18 July 2011.

Security is given to Abn Amro Commercial Finance PLC by way of a charge over certain assets of the company dated 10 September 2012, to Abn Amro Commercial Finance PLC by way of a charge over certain assets of the company dated 31 October 2012.

Security is given to National Westminster Bank PLC by way of a fixed and floating charge over all the property and undertaking of the company dated 22 December 2015, to National Westminster Bank PLC by way of a charge over the property of the company dated 22 May 2016.

Security is given to Lombard North Central PLC by way of a fixed charge over certain assets of the company dated 29 January 2018.

#### 17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts (secured)	25,639	35,270
Obligations under finance leases and hire purchase contracts	1,141,011	776,992
Other creditors	170,000	60,000
	<u>1,336,650</u>	<u>872,262</u>

#### 18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022	2021
	£	£
Not later than 1 year	549,068	407,656
Later than 1 year and not later than 5 years	1,215,886	803,131
	<u>1,764,954</u>	<u>1,210,787</u>
Less: future finance charges	(128,475)	(82,695)
Present value of minimum lease payments	<u>1,636,479</u>	<u>1,128,092</u>



# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 19. Provisions

	Deferred tax (note 20) £
At 1 January 2022	307,000
Additions	519,927
<b>At 31 December 2022</b>	<b><u>826,927</u></b>

### 20. Deferred tax

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

	2022 £	2021 £
Included in provisions (note 19)	<u>826,927</u>	<u>307,000</u>

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

	2022 £	2021 £
Accelerated capital allowances	874,026	365,397
Unused tax losses	<u>(47,099)</u>	<u>(58,397)</u>
	<u>826,927</u>	<u>307,000</u>

### 21. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £41,243 (2021: £43,136).

### 22. Government grants

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

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>25,000</u>	<u>—</u>

# Diamondpak Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2022

#### 23. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>82,000</u>	<u>8,200</u>	<u>90,000</u>	<u>9,000</u>

#### Share movements

	No.	£
Ordinary		
At 1 January 2022	90,000	9,000
Shares cancelled	<u>(8,000)</u>	<u>(800)</u>
At 31 December 2022	<u>82,000</u>	<u>8,200</u>

During the year the company entered into a buyback agreement to purchase 8,000 of its own ordinary shares which were funded by the company's distributable reserves.

#### 24. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 25. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	202,231	(78,431)	123,800
Debt due within one year	(382,822)	(122,646)	(505,468)
Debt due after one year	(812,262)	(354,388)	(1,166,650)
	<u>(992,853)</u>	<u>(555,465)</u>	<u>(1,548,318)</u>

#### 26. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2022	2021
	£	£
Tangible assets	<u>690,000</u>	<u>645,000</u>

#### 27. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	338,137	316,510
Later than 1 year and not later than 5 years	357,500	695,637
	<u>695,637</u>	<u>1,012,147</u>

# **Diamondpak Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2022**

### **28. Related party transactions**

The directors consider Mr R Davies to be the ultimate controlling party by virtue of his holding in the equity of the company. At 31 December 2022 this holding amounted to 87.80% of the voting share capital.

During the year dividends totalling £360,400 (2021 - £143,280) were paid to the directors.