

Reflex Packaging Solutions Limited

Registered number: 07665250

Directors' report and financial statements

For the year ended 28 February 2021



REFLEX PACKAGING SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	S K Dalby I G Kendall G A Tomlin
Company secretary	A D Jones
Registered number	07665250
Registered office	Vision House Hamilton Way Mansfield Notts NG18 5BU
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW

REFLEX PACKAGING SOLUTIONS LIMITED

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REFLEX PACKAGING SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

The Directors present their report and the financial statements for the year ended 28 February 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

Principal activity

The principal activity of the Company during the year was the supply of tape and ancillary packaging items.

Results and dividends

The profit for the year, after taxation, amounted to £229k (2020 - £249k).

Dividends of £100k (2020 - £60k) were paid during the year.

Directors

The Directors who served during the year were:

S K Dalby
I G Kendall
G A Tomlin

REFLEX PACKAGING SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

Business relationships

Our strategy has been to develop key partnerships with our customers, suppliers and other key stakeholders. The priorities are organic growth, driven by cross-selling and upselling services to our existing customers, whilst developing new customers, channels and markets, with a differentiated service offering and efficient end to end processes, enabling the Company to be the supplier of first choice. From our suppliers' perspective, we want to be the customer of first choice, with efficient and well managed procure to pay processes that are frictionless with a low cost to serve model.

Directors' indemnity

The Company has qualifying third-party indemnity provision for the benefit of its Directors which remains in force at the date of this report.

Principal risks and uncertainties

The Company may be affected by a number of risks, not all of which are in the control of its managers. Outlined below is a description of some of the most significant factors that may affect the business.

COVID-19

From our experience of living with COVID-19, managing the business through the pandemic and various phases of lockdown, the business has taken the following mitigation steps, to ensure business resilience and to meet stakeholder needs:

- 1) We have improved our facilities and taken the necessary precautions in line with the latest Government guidelines to ensure that our colleagues stay safe.
- 2) We have developed our IT infrastructure to support hybrid and home working where feasibly possible.
- 3) We have experienced changes in product and customer mix. However, the core sectors served by the Company have shown to be once again resilient throughout the pandemic.
- 4) We have taken a conscious decision to hold higher stock levels to mitigate any friction that may arise within the supply chain.
- 5) Our flat structure allows fast and flexible decision-making.

Our top priority is the health and safety of our colleagues and customers. We have taken the necessary precautions and altered working practices; these measures go beyond that required by Government guidelines to ensure that our colleagues stay safe.

General economic conditions

The Company is exposed to a variety of market sectors that may be affected by the general economic environment. However, most sales are to the food, beverage and healthcare sectors that tend to remain stable even in adverse times for the general economy.

REFLEX PACKAGING SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

Going concern

The Directors have performed a detailed stress test of the Company. It was necessary to include the holding company, The Reflex Group Limited, because of the interlinked funding arrangements. After reviewing the results of this exercise, the Directors have concluded that there is ample funding headroom and liquidity for at least 12 months from the date of approval of these financial statements.

Detailed financial modelling for the next 12 months has also been considered for the Company and Group under severe downside scenarios, which included reductions in sales volumes of 15%. The result of this sensitivity analysis confirmed that, even under unrealistically harsh assumptions, the business can continue to operate within its existing credit facilities for at least 12 months.

As at the date of this report, the Directors have a reasonable expectation that the Company has adequate resources to continue business for the foreseeable future and they have therefore continued to adopt a going concern basis for the preparation of these accounts.

Outlook

It is important to acknowledge the global impact of the COVID-19 pandemic. Our top priority is the health and safety of our colleagues and customers. We have taken the necessary precautions and altered working practices; these measures go beyond that required by Government guidelines to ensure that our employees stay safe.

Whilst a great deal of uncertainty remains of the overall impact of the coronavirus and new emerging variants and the easing of restrictions, the business is committed to working closely with our customers, suppliers, and local communities to continue the successful navigation through to the "new normal".

In April 2020 the holding Company completely refinanced its debt structure with ABN AMRO and now benefits from a highly efficient asset backed finance facility with a minimum tenure of 5 years.

The first quarter trading has been strong and the results are broadly in line with management expectations.

Disclosure of information to auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

REFLEX PACKAGING SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



G A Tomlin
Director

Date: 14 SEPTEMBER 2021

REFLEX PACKAGING SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REFLEX PACKAGING SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Reflex Packaging Solutions Limited (the 'Company') for the year ended 28 February 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

REFLEX PACKAGING SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REFLEX PACKAGING SOLUTIONS LIMITED

Other information

The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the directors' 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.

In connection with our audit of the financial statements, 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 to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

REFLEX PACKAGING SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REFLEX PACKAGING SOLUTIONS LIMITED

Responsibilities of Directors

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, 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 either the Directors 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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

REFLEX PACKAGING SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REFLEX PACKAGING SOLUTIONS LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



Alistair Wesson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 20 SEPTEMBER 2021

REFLEX PACKAGING SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Note	2021 £000	2020 £000
Turnover	4	3,112	2,765
Cost of sales		(2,573)	(2,238)
Gross profit		<u>539</u>	<u>527</u>
Administrative expenses		(255)	(219)
Operating profit	5	<u>284</u>	<u>308</u>
Interest payable and expenses		(1)	-
Profit before tax		<u>283</u>	<u>308</u>
Tax on profit	9	(54)	(59)
Profit for the financial year		<u>229</u>	<u>249</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>229</u>	<u>249</u>

The notes on pages 12 to 24 form part of these financial statements.

REFLEX PACKAGING SOLUTIONS LIMITED
REGISTERED NUMBER: 07665250

BALANCE SHEET
AS AT 28 FEBRUARY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	11	12	12
		<u>12</u>	<u>12</u>
Current assets			
Stocks	12	254	231
Debtors	13	679	808
Cash at bank and in hand	14	271	46
		<u>1,204</u>	<u>1,085</u>
Creditors: Amounts falling due within one year	15	(544)	(554)
Net current assets		<u>660</u>	<u>531</u>
Net assets		<u>672</u>	<u>543</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		672	543
		<u>672</u>	<u>543</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



G A Tomlin
Director

Date: 14 SEPTEMBER 2021

The notes on pages 12 to 24 form part of these financial statements.

REFLEX PACKAGING SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Profit and loss account £000	Total equity £000
At 1 March 2020	543	543
Comprehensive income for the year		
Profit for the year	229	229
Other comprehensive income for the year	-	-
Total comprehensive income for the year	229	229
Dividends: Equity capital	(100)	(100)
Total transactions with owners	(100)	(100)
At 28 February 2021	672	672

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2020**

	Profit and loss account £000	Total equity £000
At 1 March 2019	354	354
Comprehensive income for the year		
Profit for the year	249	249
Other comprehensive income for the year	-	-
Total comprehensive income for the year	249	249
Dividends: Equity capital	(60)	(60)
Total transactions with owners	(60)	(60)
At 29 February 2020	543	543

The notes on pages 12 to 24 form part of these financial statements.

REFLEX PACKAGING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. General information

Reflex Packaging Solutions Limited, registered number: 07665250, presents its financial statements for the year ended 28 February 2021.

The Company is a private Company, limited by shares and is registered in England. The address of the registered office is Vision House, Hamilton Way, Oakham Business Park, Mansfield, Nottinghamshire, NG18 5BU.

The principal activity of the Company during the year was the supply of tape and ancillary packaging items.

The presentation currency for the financial statements is Pounds Sterling (£000) as this is the currency of the primary economic environment in which the Group operates and is rounded to the nearest thousand.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Reflex Group Limited as at 28 February 2021 and these financial statements may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.3 Going concern

The Directors have performed a detailed stress test of the Company. It was necessary to include the holding company, The Reflex Group Limited, because of the interlinked funding arrangements. After reviewing the results of this exercise, the Directors have concluded that there is ample funding headroom and liquidity for at least 12 months from the date of approval of these financial statements.

Detailed financial modelling for the next 12 months has also been considered for the Company and Group under severe downside scenarios, which included reductions in sales volumes of 15%. The result of this sensitivity analysis confirmed that, even under unrealistically harsh assumptions, the business can continue to operate within its existing credit facilities for at least 12 months.

As at the date of this report, the Directors have a reasonable expectation that the Company has adequate resources to continue business for the foreseeable future and they have therefore continued to adopt a going concern basis for the preparation of these accounts.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'cost of sales'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Finance costs

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

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 25%
Motor vehicles	- 25%
Fixtures and fittings	- 15% - 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

2. Accounting policies (continued)

2.15 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at transaction value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the transaction value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the transaction value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

3. Significant management judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The Directors have not identified any significant management judgements in preparing these financial statements.

Estimation uncertainty

The Directors have not identified any key sources of estimation uncertainty in preparing these financial statements.

4. Turnover

The total turnover of the Company for the year has been derived from its principal activity.

Analysis of turnover by country of destination:

	2021	2020
	£000	£000
United Kingdom	3,096	2,765
Rest of Europe	16	-
	<u>3,112</u>	<u>2,765</u>

5. Operating profit

The operating profit is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	3	4
Exchange differences	14	2
Other operating lease rentals	29	29
	<u>46</u>	<u>35</u>

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

6. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>4</u>	<u>4</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the Parent Company.

7. Employees

	2021 £000	2020 £000
Wages and salaries	161	153
Social security costs	14	14
Cost of defined contribution scheme	5	1
	<u>180</u>	<u>168</u>

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

	2021 No.	2020 No.
Operatives	2	2
Management and administration	4	4
	<u>6</u>	<u>6</u>

8. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	51	51
Company contributions to defined contribution pension schemes	<u>1</u>	<u>-</u>

During the year retirement benefits were accruing to 1 Directors (2020 - NIL) in respect of defined contribution pension schemes.

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

9. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	54	59
Total current tax	<u>54</u>	<u>59</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>54</u>	<u>59</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50k or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50k and £250k, the higher 25% rate will apply but with a marginal relief applying as profits increase.

10. Dividends

	2021 £000	2020 £000
Ordinary		
Final	<u>100</u>	<u>60</u>

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

11. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 March 2020	4	23	1	28
Additions	-	1	2	3
Transfers between classes	5	(9)	4	-
At 28 February 2021	9	15	7	31
Depreciation				
At 1 March 2020	2	14	-	16
Charge for the year	1	1	1	3
Transfers between classes	3	(4)	1	-
At 28 February 2021	6	11	2	19
Net book value				
At 28 February 2021	3	4	5	12
At 29 February 2020	2	9	1	12

12. Stocks

	2021 £000	2020 £000
Finished goods	254	231

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £2,437k (2020 - £2,136k).

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

13. Debtors

	2021 £000	2020 £000
Trade debtors	668	675
Amounts owed by group undertakings	5	122
Prepayments and accrued income	6	11
	<u>679</u>	<u>808</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	<u>271</u>	<u>46</u>

15. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	323	315
Amounts owed to group undertakings	78	136
Corporation tax	54	59
Other taxation and social security	50	28
Accruals and deferred income	39	16
	<u>544</u>	<u>554</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

16. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	-	-
	<u> </u>	<u> </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

17. Contingent liabilities

An unlimited guarantee in respect of borrowings from the Group's main lender exists between all group companies. As at the 28 February 2021 the group had borrowings under this agreement of £20,883k (2020 - £21,365k).

18. Pension commitments

The Company contributes to defined contribution pension schemes for the benefit of the Directors and employees. Contributions are charged to the consolidated profit and loss account as payable. The charge to the consolidated statement of comprehensive income for the year was £4k (2020 - £1k). Contributions totalling £Nil (2020 - £Nil) were included within other creditors at the year end.

19. Commitments under operating leases

At 28 February 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£000	£000
Not later than 1 year	13	29
Later than 1 year and not later than 5 years	-	13
	<u> </u>	<u> </u>
	<u>13</u>	<u>42</u>

REFLEX PACKAGING SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

20. Related party transactions

During the year Reflex Packaging Solutions Limited paid rent of £14k (2020 - £14k) to S Dalby's Self Invested Personal Pension Scheme.

	Sales to 2021 £000	Sales to 2020 £000	Expenses incurred from 2021 £000	Expenses incurred from 2020 £000
Reflex Labels Limited	214	119	77	93
Reflex Flexible Packaging Limited	24	18	50	6
Reflex Labelplus Limited	-	41	-	5
Reflex Lithoplus Limited	-	8	-	-
Reflex Kingsway Limited	-	31	-	4
Reflex Plus Limited	70	10	1	-
Graphic Brands Limited	1	1	1	-
Webflex Ltd	3	2	-	-
	<u>312</u>	<u>230</u>	<u>129</u>	<u>108</u>
	Receivables outstanding 2021 £000	Receivables outstanding 2020 £000	Payables outstanding 2021 £000	Payables outstanding 2020 £000
Reflex Labels Limited	-	-	78	35
Reflex Flexible Packaging Limited	1	-	-	20
Reflex Lithoplus Limited	-	10	-	-
Reflex Kingsway Limited	-	52	-	-
Reflex Plus Limited	4	43	-	-
Graphic Brands Limited	-	14	-	-
Webflex Ltd	-	3	-	-
Progressive ID Limited	-	-	-	5
The Reflex Group Limited	-	-	-	76
	<u>5</u>	<u>122</u>	<u>78</u>	<u>136</u>

21. Controlling party

The Company is a subsidiary undertaking of The Reflex Group Limited, which is the ultimate controlling party incorporated in the United Kingdom; registered address of Vision House Hamilton Way, Mansfield, NG18 6BU, and the largest group in which the results of the Company are consolidated. The consolidated financial statements of The Reflex Group Limited are available to the public and may be obtained from Companies House.