
The Paper Drinking Straw Company Limited

Financial statements

Information for filing with the registrar

For the 52 week period ended 27 December 2020

The Paper Drinking Straw Company Limited
Registered number: 11314134

Balance sheet
As at 27 December 2020

	Note	27 December 2020 £	30 December 2019 £
Fixed assets			
Tangible assets	4	<u>1,101,761</u>	<u>1,008,034</u>
		1,101,761	1,008,034
Current assets			
Stocks	5	1,734,123	269,939
Debtors: amounts falling due within one year	6	3,726,690	573,980
Cash at bank and in hand	7	<u>349,978</u>	<u>204,207</u>
		5,810,791	1,048,126
Creditors: amounts falling due within one year	8	<u>(3,049,943)</u>	<u>(1,031,713)</u>
Net current assets		<u>2,760,848</u>	<u>16,413</u>
Total assets less current liabilities		<u>3,862,609</u>	<u>1,024,447</u>
Creditors: amounts falling due after more than one year	9	(1,937,463)	(1,527,229)
Provisions for liabilities			
Deferred tax		<u>(209,335)</u>	<u>-</u>
		(209,335)	-
Net assets/(liabilities)		<u><u>1,715,811</u></u>	<u><u>(502,782)</u></u>
Capital and reserves			
Called up share capital		30	30
Profit and loss account		<u>1,715,781</u>	<u>(502,812)</u>
		<u>1,715,811</u>	<u>(502,782)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with 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 on 28 September 2021.

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Roderick Leyden

The Paper Drinking Straw Company Limited
Registered number: 11314134

Balance sheet (continued)
As at 27 December 2020

Director

The notes on pages 3 to 12 form part of these financial statements.

The Paper Drinking Straw Company Limited

Notes to the financial statements For the 52 week period ended 27 December 2020

1. General information

The Paper Drinking Straw Company Limited is a company limited by share capital incorporated in England, registered number 11314134. The address of the registered office and principal place of business is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

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 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 Hoffmaster UK Buyco Limited as at 27 December 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

At 27 December 2020, the company has net current assets of £2,760,848 (2019: £16,473) and net assets of £1,1715,811 (2019: net liabilities £502,783).

The long term liabilities at 27 December 2020 are due to the ultimate and intermediate parent and are not repayable within 12 months of the approval of these financial statements.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Company will be able to operate within the level of its facilities for a forecast period of at least 12 months from the approval date of these financial statement. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

The uncertainty as to the future impact on the Company of Covid-19 has been considered as part of the Company's adoption of the going concern basis. We have considered a number of scenarios to assess the potential impact of Covid-19 on the Company's results. We are confident that even under the most severe of our scenarios, we can take sufficient mitigation action to ensure that sufficient facilities remain available over the forecast period

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These financial statements have therefore been prepared on a going concern basis.

Notes to the financial statements
For the 52 week period ended 27 December 2020

2. Accounting policies (continued)

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

2.5 Revenue

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of good is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery to the customer), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the cost 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 Government grants

Grants of a revenue nature are recognised in the statement of income and retained earnings in the same period as the related expenditure.

2.8 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.

Notes to the financial statements
For the 52 week period ended 27 December 2020

2. Accounting policies (continued)

2.9 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.

2.10 Current and deferred taxation

The tax expense for the 52 week period comprises current and deferred tax. 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.

2.11 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.

The Paper Drinking Straw Company Limited

Notes to the financial statements For the 52 week period ended 27 December 2020

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	10%	Straight line
Plant and machinery	-	10%	Straight line
Computer equipment	-	10%	Straight line
Assets under construction	-		Not depreciated until brought into use

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.

2.12 Stocks

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

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

2.13 Debtors

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

2.14 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.15 Creditors

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

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Notes to the financial statements
For the 52 week period ended 27 December 2020

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.18 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present 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 present 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.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present 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.

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

The Paper Drinking Straw Company Limited

Notes to the financial statements
For the 52 week period ended 27 December 2020

3. Employees

	52 week period 27 December 2020 £	<i>8 months ended</i> <i>30 December</i> <i>2019</i> <i>£</i>
Wages and salaries	1,484,022	636,455
Social security costs	90,139	57,313
Cost of defined contribution scheme	16,040	9,688
	<u>1,590,201</u>	<u>703,456</u>

The average monthly number of employees, including directors, during the 52 week period was 37 (2019 - 37).

4. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Computer equipment £	Assets under construction £	Total £
Cost or valuation					
At 30 December 2019	-	979,755	10,300	79,437	1,069,492
Additions	29,921	158,796	-	-	188,717
Transfers between classes	79,437	-	-	(79,437)	-
At 27 December 2020	<u>109,358</u>	<u>1,138,551</u>	<u>10,300</u>	<u>-</u>	<u>1,258,209</u>
Depreciation					
At 30 December 2019	-	60,423	1,035	-	61,458
Charge for the period	15,259	78,537	1,194	-	94,990
At 27 December 2020	<u>15,259</u>	<u>138,960</u>	<u>2,229</u>	<u>-</u>	<u>156,448</u>
Net book value					
At 27 December 2020	<u>94,099</u>	<u>999,591</u>	<u>8,071</u>	<u>-</u>	<u>1,101,761</u>
<i>At 30 December 2019</i>	<u>-</u>	<u>919,332</u>	<u>9,265</u>	<u>79,437</u>	<u>1,008,034</u>

The Paper Drinking Straw Company Limited

Notes to the financial statements
For the 52 week period ended 27 December 2020

5. Stocks

	27 December 2020 £	<i>30 December 2019 £</i>
Raw materials and consumables	422,787	<i>165,274</i>
Work in progress	-	<i>14,750</i>
Finished goods and goods for resale	1,311,336	<i>89,915</i>
	<u>1,734,123</u>	<i><u>269,939</u></i>

The Paper Drinking Straw Company Limited

**Notes to the financial statements
For the 52 week period ended 27 December 2020**

6. Debtors

	27 December 2020 £	<i>30 December 2019 £</i>
Trade debtors	2,751,655	166,547
Other debtors	245,896	53,483
Called up share capital not paid	30	30
Prepayments and accrued income	729,109	-
Deferred taxation	-	353,920
	<u>3,726,690</u>	<u><i>573,980</i></u>

7. Cash

	27 December 2020 £	<i>30 December 2019 £</i>
Cash at bank and in hand	<u>349,978</u>	<u><i>204,207</i></u>

8. Creditors: Amounts falling due within one year

	27 December 2020 £	<i>30 December 2019 £</i>
Trade creditors	1,535,144	180,444
Amounts owed to group undertakings	696,766	696,766
Corporation tax	179,106	-
Other taxation and social security	17,662	23,032
Other creditors	52,803	12,321
Accruals and deferred income	568,462	119,150
	<u>3,049,943</u>	<u><i>1,031,713</i></u>

The Paper Drinking Straw Company Limited

Notes to the financial statements
For the 52 week period ended 27 December 2020

9. Creditors: Amounts falling due after more than one year

	27 December 2020	<i>30 December 2019</i>
	£	£
Amounts owed to group undertakings	<u>1,937,463</u>	<u><i>1,527,229</i></u>

Amounts owed to group undertakings relate to a facility granted by the company's ultimate parent. The facility is repayable on the 10 year anniversary of issue. Interest is payable at 8%. The facility is secured by way of a fixed and floating charge over all current and future assets of the company.

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from

those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,040 (2019: £9,688). Contributions totalling £1,852 (2019: £2,316) were payable to the fund at the balance sheet date and are included in creditors.

11. Commitments under operating leases

At 27 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	27 December 2020	<i>30 December 2019</i>
	£	£
Not later than 1 year	36,000	<i>36,000</i>
Later than 1 year and not later than 5 years	84,000	<i>120,000</i>
	<u>120,000</u>	<u><i>156,000</i></u>

12. Controlling party

The immediate parent company is Hoffmaster UK Buyco Ltd (Company number 11948149), the ultimate parent undertaking is Hoffmaster Group Inc (Wisconsin USA).

The Paper Drinking Straw Company Limited

Notes to the financial statements
For the 52 week period ended 27 December 2020

13. Auditors' information

The auditors' report on the financial statements for the 52 week period ended 27 December 2020 was qualified.

The qualification in the audit report was as follows:

In the prior year we were not appointed as auditor of the company until after 30 December 2019 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 December 2019, which were included in the balance sheet at £269,939, by using other audit procedures.

With respect to stock having a carrying amount of £269,939 at 30 December 2019, the audit evidence available to us was limited because the company did not have adequate records of the stock quantities and their corresponding valuation held at the balance sheet date. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities and their corresponding valuation by using other audit procedures.

Consequently, we were unable to determine whether any adjustment to this amount was necessary in respect of the year ended 30 December 2019.

The audit report was signed on 28 September 2021 by Jo Gibson (senior statutory auditor) on behalf of Hurst Accountants Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.