

Registered number: SC142714

QAS COPAK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016

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QAS COPAK LIMITED

COMPANY INFORMATION

DIRECTORS

B J I Kemp
D Page

COMPANY SECRETARY

G Gilfillan

REGISTERED NUMBER

SC142714

REGISTERED OFFICE

Mitchelston Drive
Mitchelston Industrial Estate
Kirkcaldy
Fife
KY1 3NF

INDEPENDENT AUDITORS

EQ Accountants LLP
Chartered Accountants
Pentland House
Saltire Centre
Glenrothes
Fife
KY6 2AH

BANKERS

Barclays Bank Plc
Unit 2
10-15 Princes Street
Edinburgh
EH2 2AN

QAS COPAK LIMITED

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QAS COPAK LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 3 JANUARY 2016

INTRODUCTION

The directors have pleasure in presenting their strategic report for the period ended 3 January 2016.

BUSINESS REVIEW

The directors are satisfied with the company's overall performance during the year which finished in line with original projections. The directors are committed to continuing the company development with a planned significant capital expenditure programme to upgrade and increase the operational capability. Further investment in new production equipment and operational software systems will lead to improvements in efficiencies and allow the company to become even more competitive and flexible in fluctuating market conditions.

The directors are pleased with the development of operations outwith their core 'contract packing' sector and are keen to further develop these areas of the business. Non core activity has been a large contributor in this year's financial performance.

Despite a reduction in annual turnover, the company has focused on improving operational efficiencies to improve margins and profitability. These continuous improvements have been the result of investment in key personnel and the engagement of the core workforce to further improve the company culture and working methods. The directors recognise that the business is dependant on the support of its workforce and the flexibility they offer to meet constantly fluctuating customer requirements. The directors committed to exceeding the national living wage for all members of staff in advance of its commencement in April 2016. This was implemented for the start of the 2016 financial year.

The company uses a number of daily KPI's to measure the performance of the business and these form part of the weekly reporting structure. These reports allow senior management access to 'live' data and information across all areas of the business, assisting with their operational decision making. These reports are by no means 'set in stone' and evolve with the input of the management team to improve and speed up decision making in a fast moving environment.

During the year the directors changed their banking provider. Despite having a long standing relationship with the previous lender, the directors opted to align the company with a like minded partner that matched their appetite for future growth. The decision was made to repay all outstanding banking liabilities during this process, leaving the business with no long term debt.

The company continues to build on its strong customer relationships, further developing systems and processes in conjunction with them to accommodate their varying operational requirements. QAS recognises and values the ongoing support it receives from its key suppliers and advisors.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business is the dependence on a limited/small customer base and the competitive nature of the sector. The company is also sensitive to global markets in which its customers operate in. The directors are currently exploring options to diversify into new markets that will reduce this exposure, whilst simultaneously trying to secure additional business from its current customer base. With labour costs to increase further, the directors remain focused on making the business as cost effective and as efficient as possible to ensure the company maintains its competitiveness.

The company's principal financial instruments comprise bank balances and overdrafts, invoice discounting, loans to the company and hire purchase agreements. The main purpose of these instruments is to finance company operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is detailed below.

In respect of bank balances the liquidity risk is managed by maintaining such flexibility through the use of cash at bank and overdrafts.

In respect of loans these comprise loans from third parties. The interest rates on these loans are fixed above the bank base rate and repayments are also fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

QAS COPAK LIMITED

STRATEGIC REPORT (continued)

In respect of hire purchase assets, the liquidity risk in respect of these is managed to ensure sufficient funds are available to meet repayments.

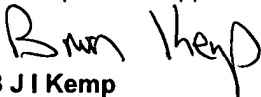
SAFETY AND HEALTH, ENVIRONMENT AND QUALITY

The company recognises the importance of, and has policies and procedures in place to ensure its environmental, health and safety requirements are met at all times.

This report was approved by the board on

03/05/2016

and signed on its behalf.


B J I Kemp
Director

QAS COPAK LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 3 JANUARY 2016

The directors present their report and the financial statements for the period ended 3 January 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,030,384 (2015 - £766,085).

Particulars of dividends paid are detailed in the notes to the financial statements.

DIRECTORS

The directors who served during the period were:

B J I Kemp
D Page

QAS COPAK LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 3 JANUARY 2016
DISCLOSURE OF INFORMATION TO AUDITORS**

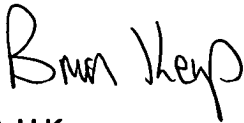
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

This report was approved by the board on 03/05/2016 and signed on its behalf.



B J I Kemp
Director

QAS COPAK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QAS COPAK LIMITED

We have audited the financial statements of QAS Copak Limited for the period ended 3 January 2016, set out on pages 7 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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.



PETER SOUTHCOTT (Senior statutory auditor)

for and on behalf of
EQ Accountants LLP

Chartered Accountants

Pentland House
Saltire Centre
Glenrothes
Fife
KY6 2AH

Date: 3/5/16

QAS COPAK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 3 JANUARY 2016**

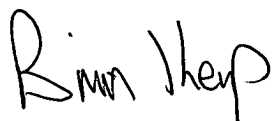
	Note	2016 3 January 2016 £	2015 4 January 2015 £
Turnover		7,554,498	7,708,906
Cost of sales		(4,757,709)	(5,113,199)
Gross profit		2,796,789	2,595,707
Administrative expenses		(1,693,221)	(1,807,582)
Other operating income		252,219	253,744
Operating profit		1,355,787	1,041,869
Interest receivable and similar income	8	1,565	749
Interest payable and expenses	9	(49,413)	(59,309)
Profit before tax		1,307,939	983,309
Tax on profit	10	(277,555)	(217,224)
Profit for the period		1,030,384	766,085
Other comprehensive income for the period			
Other comprehensive income		-	29,400
Other comprehensive income for the period		-	29,400
Total comprehensive income for the period		1,030,384	795,485

QAS COPAK LIMITED
REGISTERED NUMBER: SC142714

STATEMENT OF FINANCIAL POSITION
AS AT 3 JANUARY 2016

	Note	3 January 2016 £	4 January 2015 £
Fixed assets			
Tangible assets	12	1,104,556	1,282,973
Investments	13	-	10,000
		<u>1,104,556</u>	<u>1,292,973</u>
Current assets			
Stocks	14	-	16,091
Debtors: amounts falling due within one year	15	1,631,134	1,742,314
Cash at bank and in hand	16	1,064,859	785,030
		<u>2,695,993</u>	<u>2,543,435</u>
Creditors: amounts falling due within one year	17	(1,710,407)	(1,908,705)
Net current assets		<u>985,586</u>	<u>634,730</u>
Total assets less current liabilities		<u>2,090,142</u>	<u>1,927,703</u>
Creditors: amounts falling due after more than one year	18	(104,074)	(644,798)
Provisions for liabilities			
Deferred tax		(36,965)	(68,186)
		<u>(36,965)</u>	<u>(68,186)</u>
Net assets		<u><u>1,949,103</u></u>	<u><u>1,214,719</u></u>
Capital and reserves			
Called up share capital	21	34,000	34,000
Share premium account		45,492	45,492
Other reserves		29,400	29,400
Profit and loss account		1,840,211	1,105,827
		<u><u>1,949,103</u></u>	<u><u>1,214,719</u></u>

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



B J I Kemp
Director

3/5/16



D Page
Director

3/5/16

QAS COPAK LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 3 JANUARY 2016**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
At 5 January 2015	34,000	45,492	29,400	1,105,827	1,214,719
Comprehensive income for the period					
Profit for the period	-	-	-	1,030,384	1,030,384
Other comprehensive income for the period					
	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,030,384	1,030,384
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(296,000)	(296,000)
Total transactions with owners	-	-	-	(296,000)	(296,000)
AT 3 January 2016	34,000	45,492	29,400	1,840,211	1,949,103

QAS COPAK LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 4 JANUARY 2015**

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	60,000	-	-	1,364,242	1,424,242
Comprehensive income for the period					
Profit for the period	-	-	-	766,085	766,085
Other movement type 1	-	-	29,400	-	29,400
Other comprehensive income for the period	-	-	29,400	-	29,400
Total comprehensive income for the period	-	-	29,400	766,085	795,485
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(299,500)	(299,500)
Purchase of own shares	-	-	-	(725,000)	(725,000)
Shares issued during the period	3,400	45,492	-	-	48,892
Shares cancelled during the period	(29,400)	-	-	-	(29,400)
Total transactions with owners	(26,000)	45,492	-	(1,024,500)	(1,005,008)
AT 4 January 2015	34,000	45,492	29,400	1,105,827	1,214,719

The notes on pages 12 to 29 form part of these financial statements.

QAS COPAK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 3 JANUARY 2016**

	3 January 2016 £	4 January 2015 £
Cash flows from operating activities		
Profit for the financial period	1,030,384	766,085
Adjustments for:		
Depreciation of tangible assets	223,689	217,087
Loss on disposal of tangible assets	9,950	(6,580)
Increase in stocks	16,091	(718)
Interest paid	49,413	73,702
Interest received	(1,565)	(749)
Taxation	277,555	(67,923)
Increase in debtors	111,181	111,195
Increase in creditors	(40,206)	367,410
Corporation tax	(198,117)	217,224
Net cash generated from operating activities	1,478,375	1,676,733
Cash flows from investing activities		
Sale of intangible assets	-	48,999
Purchase of tangible fixed assets	(45,718)	10,632
Sale of tangible fixed assets	500	-
Purchase of unlisted and other investments	-	(10,000)
Interest received	1,565	749
HP interest paid	(20,587)	(28,835)
Net cash from investing activities	(64,240)	21,545
Cash flows from financing activities		
Issue of ordinary shares	-	48,892
Purchase of ordinary shares	-	(29,400)
Repayment of loans	(473,881)	(51,119)
Repayment of other loans	(180,000)	-
Repayment of/new finance leases	(155,599)	(242,582)
Dividends paid	(296,000)	(299,500)
Interest paid	(28,826)	(44,867)
Premium on purchase of own equity shares	-	(695,600)
Net inflow from other short term creditors	-	15,114
Net cash used in financing activities	(1,134,306)	(1,299,062)
Net increase / (decrease) in cash and cash equivalents	279,829	399,216
Cash and cash equivalents at beginning of period	785,030	385,814
Cash and cash equivalents at the end of period	1,064,859	785,030
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,064,859	785,030

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

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

The following principal accounting policies have been applied:

1.2 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 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 company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

1. ACCOUNTING POLICIES (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. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Freehold property	-	4% to 40% straight line
Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	15% to 25% straight line

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 within 'other operating income' in the Statement of Comprehensive Income.

1.4 Operating leases: Lessee

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

1.5 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.7 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 reporting 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.

1.8 Debtors

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

1.9 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

1.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- i) 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.10. Financial instruments (continued)

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

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, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

1.11 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.

1.12 Finance costs

Finance costs are charged to the Income Statement 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.

1.13 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.14 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 payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

1.15 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.16 Borrowing costs

All borrowing costs are recognised in the Income Statement in the period in which they are incurred.

1.17 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 the Income Statement in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

1.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

No significant judgements have been made by management in preparing these financials statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2016 3 January 2016 £	2015 4 January 2015 £
Rendering of services	7,554,498	7,708,906
	7,554,498	7,708,906

Analysis of turnover by country of destination:

	2016 3 January 2016 £	2015 4 January 2015 £
United Kingdom	7,554,498	7,708,906
	7,554,498	7,708,906

4. OTHER OPERATING INCOME

	2016 3 January 2016 £	2015 4 January 2015 £
Net rents receivable	252,219	253,744
	252,219	253,744

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 3 January 2016 £	2015 4 January 2015 £
Depreciation of tangible fixed assets	223,689	217,082
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	10,821	6,500
Defined contribution pension cost	274,963	255,595

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016 3 January 2016 £	2015 4 January 2015 £
Wages and salaries	3,288,620	3,768,955
Social security costs	238,045	286,997
Cost of defined contribution scheme	274,963	255,595
	<u>3,801,628</u>	<u>4,311,547</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2016 3 January 2016 No.	2015 4 January 2015 No.
Production staff	206	202
Administration staff	28	32
	<u>234</u>	<u>234</u>

7. DIRECTORS' REMUNERATION

	2016 3 January 2016 £	2015 4 January 2015 £
Directors' emoluments	20,000	84,560
Company contributions to defined contribution pension schemes	200,211	203,018
	<u>220,211</u>	<u>287,578</u>

During the period retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

8. INTEREST RECEIVABLE

	2016 3 January 2016 £	2015 4 January 2015 £
Other interest receivable	1,565	749
	<u>1,565</u>	<u>749</u>

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 3 January 2016 £	2015 4 January 2015 £
Bank interest payable	21,369	19,901
Finance leases and hire purchase contracts	20,587	28,835
Other interest payable	7,457	10,573
	49,413	59,309

10. TAXATION

	2016 3 January 2016 £	2015 4 January 2015 £
Corporation tax		
Current tax on profits for the year	308,776	198,117
Total current tax	308,776	198,117
Deferred tax		
Origination and reversal of timing differences	(31,221)	19,107
Total deferred tax	(31,221)	19,107
Taxation on profit on ordinary activities	277,555	217,224

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

10. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20.24% (2015 - 21.41%). The differences are explained below:

	2016 3 January 2016 £	2015 4 January 2015 £
Profit on ordinary activities before tax	1,307,939	983,310
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.24% (2015 - 21.41%)	264,727	210,527
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,009	5,774
Capital allowances for period in excess of depreciation	(3,242)	(4,724)
Adjustments to tax charge in respect of prior periods	6,300	-
Depreciation on assets not qualifying for tax purposes	6,827	7,181
Marginal relief	(66)	(1,534)
Total tax charge for the period	277,555	217,224

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are no factors that will affect future tax charges.

11. DIVIDENDS

	3 January 2016 £	4 January 2015 £
Equity dividends on ordinary shares	296,000	299,500
Equity dividends paid on ordinary shares	296,000	299,500

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

12. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 5 January 2015	971,404	450,074	9,100	654,478	2,085,056
Additions	-	5,428	36,500	3,790	45,718
Disposals	-	-	-	(1,441)	(1,441)
At 3 January 2016	971,404	455,502	45,600	656,827	2,129,333
Depreciation					
At 5 January 2015	233,088	216,779	4,739	347,475	802,081
Charge owned for the period	33,542	108,357	3,035	78,755	223,689
Disposals	-	-	-	(993)	(993)
At 3 January 2016	266,630	325,136	7,774	425,237	1,024,777
At 3 January 2016	704,774	130,366	37,826	231,590	1,104,556
<i>At 4 January 2015</i>	<i>738,316</i>	<i>233,295</i>	<i>4,360</i>	<i>307,002</i>	<i>1,282,973</i>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	3 January 2016 £	4 January 2015 £
Plant and machinery	329,823	467,502
	329,823	467,502

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
At 5 January 2015	10,000
Amounts written off	(10,000)
At 3 January 2016	-
At 3 January 2016	-
At 3 January 2016	-
At 3 January 2016	-
<i>At 4 January 2015</i>	<i>10,000</i>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Albion Investments Limited	Scotland	Ordinary	100 %	Dormant
QAS Group Limited	Scotland	Ordinary	100 %	Dormant

14. STOCKS

	3 January 2016 £	4 January 2015 £
Raw materials and consumables	-	16,091
	-	16,091

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

15. DEBTORS

	3 January 2016 £	4 January 2015 £
Trade debtors	1,511,821	1,492,105
Other debtors	4,090	27,169
Prepayments and accrued income	115,223	223,040
	<u>1,631,134</u>	<u>1,742,314</u>

16. CASH AND CASH EQUIVALENTS

	3 January 2016 £	4 January 2015 £
Cash at bank and in hand	1,064,859	785,030
	<u>1,064,859</u>	<u>785,030</u>

17. CREDITORS: Amounts falling due within one year

	3 January 2016 £	4 January 2015 £
Bank loans	-	52,738
Other loans	230,000	410,000
Trade creditors	260,092	210,013
Corporation tax	308,776	198,117
Taxation and social security	350,146	381,593
Obligations under finance lease and hire purchase contracts	119,608	155,624
Other creditors	900	16,014
Accruals and deferred income	440,885	484,606
	<u>1,710,407</u>	<u>1,908,705</u>

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	3 January 2016	4 January 2015
	£	£
Bank loans	-	52,738
Net obligations under finance leases and hire purchase contracts	119,608	155,624
	119,608	208,362

Security for bank loans is given by way of a standard security over certain of the company's property and a bond and floating charge.

Hire purchase assets are secured by the relevant assets.

18. CREDITORS: Amounts falling due after more than one year

	3 January 2016	4 January 2015
	£	£
Bank loans	-	421,143
Net obligations under finance leases and hire purchase contracts	104,074	223,655
	104,074	644,798

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	3 January 2016	4 January 2015
	£	£
Bank loans	-	421,143
Net obligations under finance leases and hire purchase contracts	104,074	223,655
	104,074	644,798

Security for bank loans is given by way of a standard security over certain of the company's property and a bond and floating charge.

Hire purchase assets are secured by the relevant assets.

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. LOANS

Analysis of the maturity of loans is given below:

	3 January 2016 £	4 January 2015 £
Amounts falling due within one year		
Bank loans	-	52,738
Other loans	230,000	410,000
	230,000	462,738
Amounts falling due 1-2 years		
Bank loans	-	421,143
	-	421,143

QAS COPAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2016

20. DEFERRED TAXATION

	Deferred tax £
At 5 January 2015	(68,186)
Charged to the profit or loss	31,221
At 3 January 2016	<u>(36,965)</u>

The provision for deferred taxation is made up as follows:

	3 January 2016 £	4 January 2015 £
Accelerated capital allowances	(36,965)	(68,186)
	<u>(36,965)</u>	<u>(68,186)</u>

21. SHARE CAPITAL

	3 January 2016 £	4 January 2015 £
Allotted, called up and fully paid		
30,600 Ordinary A shares shares of £1 each	30,600	30,600
3,400 Ordinary B shares shares of £1 each	3,400	3,400
	<u>34,000</u>	<u>34,000</u>

22. 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 £274,963 (2015 - £255,595).

QAS COPAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2016

23. COMMITMENTS UNDER OPERATING LEASES

At 3 January 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	3 January 2016 £	4 January 2015 £
Not later than 1 year	-	75,539
Later than 5 years	<u>317,909</u>	<u>317,909</u>
Total	<u>317,909</u>	<u>393,448</u>

24. RELATED PARTY TRANSACTIONS

Dividends paid to the directors during the year amounted to £296,000 (2015 - £299,500).

25. CONTROLLING PARTY

The company was under the control of B J I Kemp, the majority shareholder and director of the company during the current and previous period.

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

26. FIRST TIME ADOPTION OF FRS 102

	As previously stated 6 January 2014	Effect of transition 6 January 2014	FRS 102 (as restated) 6 January 2014	As previously stated 4 January 2015	Effect of transition 4 January 2015	FRS 102 (as restated) 4 January 2015
Note	£	£	£	£	£	£
Fixed assets	1,272,929	-	1,272,929	1,292,973	-	1,292,973
Current assets	2,254,697	-	2,254,697	2,543,435	-	2,543,435
Creditors: amounts falling due within one year	(1,361,353)	-	(1,361,353)	(1,908,705)	-	(1,908,705)
Net current assets	893,344	-	893,344	634,730	-	634,730
Total assets less current liabilities	2,166,273	-	2,166,273	1,927,703	-	1,927,703
Creditors: amounts falling due after more than one year	(692,952)	-	(692,952)	(644,798)	-	(644,798)
Provisions for liabilities	(49,079)	-	(49,079)	(68,186)	-	(68,186)
Net assets	1,424,242	-	1,424,242	1,214,719	-	1,214,719
Capital and reserves	1,424,242	-	1,424,242	1,214,719	-	1,214,719

QAS COPAK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2016**

27. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	<i>As previously stated 4 January 2015 £</i>	<i>Effect of transition 4 January 2015 £</i>	FRS 102 (as restated) 4 January 2015 £
Turnover		7,708,906	-	7,708,906
Cost of sales		(5,113,199)	-	(5,113,199)
		2,595,707	-	2,595,707
Administrative expenses		(1,807,582)	-	(1,807,582)
Other operating income		253,744	-	253,744
Operating profit		1,041,869	-	1,041,869
Interest receivable and similar income		749	-	749
Interest payable and similar charges		(59,309)	-	(59,309)
Taxation		(217,224)	-	(217,224)
Profit on ordinary activities after taxation and for the financial period		766,085	-	766,085

Explanation of changes to previously reported profit and equity:

- 1 There have been no changes to previously reported profit and equity.