

COMPANY REGISTRATION NUMBER: 01525421

**A M PACKAGING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021**

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A M PACKAGING LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2021

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A M PACKAGING LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Mann P Mann A H Mann D Mann
Company secretary	P Mann
Registered office	Somerby Way Gainsborough Lincolnshire DN21 1QT
Auditor	Streets Audit LLP Chartered accountants & statutory auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds TSB Plc Market Street Gainsborough Lincolnshire DN21 2BL

A M PACKAGING LIMITED

STRATEGIC REPORT

YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the consolidated financial statements of the group for the period ended 30 September 2021.

The group consists of the parent company A M Packaging Limited, based in the UK, and its 60% subsidiary A M P Rose Private Limited, based in India.

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

BUSINESS REVIEW

The principal activity of the Group is the manufacture and supply of packaging, robotic and automation equipment for the food industry. New and second-hand processing and packaging machinery for the chocolate and confectionery industry is still supplied but it is no longer the principal activity.

The focus has been to continue to develop a product range that will provide solutions to allow our customers to automate their production processes and reduce labour costs. With further projects completed for the supply of robotic pick and place equipment during the period the Company has further established itself as one of the largest UK based suppliers of robotic and automation solutions for the food industry.

The continued investment in development of robot solutions is reflected in the significant development expenditure capitalised during the period and in the R&D credits claimed by the UK entity.

With the product range now firmly established the focus will be to obtain repeat orders based on this range, with new developments continuing but to a lesser extent.

The Group now operates under two trading names, A.M.P Automation and A.M.P Rose.

We monitor a number of key performance indicators in order to ensure that the Group achieves its primary objectives of achieving sustained profitability whilst delivering a high standard of product to its customers.

The key financial performance indicators used by the Group are:

	2021	2020
	£	£
Turnover	12,715,525	15,637,210
Gross Profit	1,839,234	4,677,002
Operating Profit/(Loss)	(1,180,199)	(34,143)

The group's performance in the year was in line with the Directors' expectations , when considering the extraordinary working environment created by the Covid19 pandemic.

Not only was the group working at a significantly reduced capacity during several months, which notwithstanding Government support, still led to operating losses, but well publicised supply chain difficulties in the technology industry also impacted on our ability to complete projects on a timely basis.

A M PACKAGING LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

In addition, we were in the process of developing several new machines in conjunction with several major customers. Costs against these ground-breaking machines were inevitably greater than the anticipated standard future cost, not least because of the higher level of design costs involved.

This expenditure has now created an environment whereby we now have a larger range of machines where future sales, to our existing and new customers will be markedly less costly meaning that our forward Gross Profit levels will rise and the Directors believe this will lead to greater levels of profitability in the future.

Investment in our unique internally designed machines, and the associated Intellectual Property, has been a continuing commitment for the group for the last 5 years. The Directors feel that they now have a range of machines that is sufficient to adapt to most customer's needs with only minor adaptations.

The move to robotics-based machines leads to greater efficiency and cost saving for our customers so we anticipate that the level of demand will continue to rise. We are in advanced discussions with several national and international customers about a pipeline that stretches to 2024 and beyond.

Going Concern

In the last 5 years, the Directors' have undertaken a significant program of modernising and revolutionising the group's range of products. That has involved considerable expenditure on Research and Development leading to the current day, where the group can now offer a robotic packaging solution for a great variety of consumer products.

This investment has meant that the group has written off significant amounts of expenditure, over and above the Intellectual Property valued in the Balance Sheet. These costs have been charged to the profit and loss account in the year they were incurred and have led to reported losses. This is entirely in line with the board's expectations, but the decision is now proving to be a very pertinent one, in view of the shortage of low skilled labour currently experienced in the UK.

The significant investment period of our development programme is now coming to an end, and with the upcoming orders for already developed machines, the group expects a period of sustained growth and profitability with a flow through to profitability. We are in advanced discussions with several national and international customers about a pipeline that stretches to 2024 and beyond.

The Directors are confident that they have put in place plans to ensure that this level of increased activity will be managed within the company's financial, personnel and factory capacity. The Company's profitability and liquidity will improve as a result of a slowing down of the research and development expenditure. Furthermore, the board are considering a proposal from the minority shareholder in the Indian subsidiary to acquire the entire share capital of the company. In this way, our valuable trading relationship will be preserved but the increased liquidity in the group will allow the group's ability to take advantage of the opportunities in its own market.

The impact of Covid during the year to 30 September 2021 slowed production levels, prevented onsite visits to customer's premises and therefore delayed installations. Furthermore, the worldwide shortage of computer-chip based components delayed numerous projects, impacting on cash flow and profitability of individual projects.

Inevitably, this led to unforeseen losses reflected in these accounts, some of these difficulties impacted into the current year but thankfully now seem to be behind us.

A M PACKAGING LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

The groups investment in India continues to provide high quality out-sourcing of some component materials enabling the group to remain price competitive without compromising on quality. Astute investments in freehold property and a continuing profit stream mean that the asset tangible value of the group's investment there exceeds £1,000,000 excluding goodwill. As noted above, discussions are advanced to achieve a sale of these shares.

The Directors expect that whilst the current trading year will show an improvement in reported financial performance, it is the coming financial year where we anticipate the return to significant trading profits.

The Directors are pleased to confirm the continued support of the company's bankers culminating in the renewal of the overdraft facility at the end of November 2022.

We continue to monitor and mitigate key risks to the business. We believe the mitigation of the following risks are critical to our business:-

Credit risk

The Directors seek to manage credit risk by dealing with established customers or otherwise checking the creditworthiness of new customers, establishing clear contractual relationships with those customers, and securing fair payment terms.

Skill levels

The Directors appreciate the need to increase skill levels to keep pace with new technology. Investment in a training and development program for existing employees is as important as the ongoing recruitment program for new staff and apprentices.

Liquidity risk

The Directors seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities.

Exchange rate risk

Exchange rate risk is managed by the group having individual currency bank accounts. A cash flow forecast is kept for each currency and forward exchange deals are put in place as required.

Nevertheless, with these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

A M PACKAGING LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

This report was approved by the board of directors on 12-12-22 and signed on behalf of the board by:



P Mann
Director

Registered office:
Somerby Way
Gainsborough
Lincolnshire
DN21 1QT

A M PACKAGING LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements of the group for the year ended 30 September 2021.

Directors

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

A Mann
P Mann
A H Mann
D Mann

Dividends

The directors do not recommend the payment of a dividend.

Employee involvement

The business is committed to a pro-active programme for involving employees with work related issues by regular communication. Training is provided for existing staff and an apprentice program ensures the continuity of the skill base. Employees are encouraged to provide suggestions for improving efficiency and performance.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 30 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the group and the company and the profit or loss of the group for that period.

A M PACKAGING LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 12-12-22 and signed on behalf of the board by:



P Mann
Director

Registered office:
Somerby Way
Gainsborough
Lincolnshire
DN21 1QT

A M PACKAGING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A M PACKAGING LIMITED
YEAR ENDED 30 SEPTEMBER 2021

Opinion

We have audited the financial statements of A M Packaging Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's or the parent 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.

A M PACKAGING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A M PACKAGING
LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

Emphasis of matter - going concern

Without qualifying our opinion we draw attention to Note 3 to the financial statements. Whilst the balance sheet remains in a strong position the short to medium term cashflow requires continued support from the creditors and bankers of the Group. The Directors are satisfied that the financial statements should be prepared on a going concern basis.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

A M PACKAGING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A M PACKAGING
LIMITED *(continued)*
YEAR ENDED 30 SEPTEMBER 2021

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

A M PACKAGING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A M PACKAGING
LIMITED *(continued)*
YEAR ENDED 30 SEPTEMBER 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was that we identified the material laws and regulations applicable to the group through discussions with management, and from our commercial knowledge and experience of the group and the manufacturing and sale of new and used machinery sector in which it operates. These were the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. We then assessed the extent of compliance with these laws and regulations through making enquiries of management.

We then assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and we investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing financial statement disclosures to underlying supporting documentation, reading the minutes of meetings of those charged with governance, reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A M PACKAGING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A M PACKAGING
LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

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

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

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

A M PACKAGING LIMITED

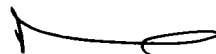
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A M PACKAGING LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

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

Use of our report

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



MARK BRADSHAW (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountants & statutory auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

14/12/2022

A M PACKAGING LIMITED
CONSOLIDATED INCOME STATEMENT
YEAR ENDED 30 SEPTEMBER 2021

	Note	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
TURNOVER	4	12,715,525	15,637,210
Cost of sales		(10,876,291)	(10,960,208)
GROSS PROFIT		1,839,234	4,677,002
Distribution costs		(185,772)	(189,496)
Administrative expenses		(3,284,607)	(4,961,206)
Other operating income	5	450,946	499,147
Exceptional item		–	(59,590)
OPERATING LOSS	6	(1,180,199)	(34,143)
Other interest receivable and similar income	10	255	819
Interest payable and similar expenses	11	(72,834)	(84,480)
LOSS BEFORE TAXATION		(1,252,778)	(117,804)
Tax on loss	12	770,711	327,604
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(482,067)	209,800
Loss for the financial year attributable to:			
The owners of the parent company		(457,760)	188,038
Non-controlling interests		(24,307)	21,762
		(482,067)	209,800

All the activities of the group are from continuing operations.

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2021

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
(Loss)/profit for the financial year	(458,545)	226,450
Foreign currency retranslation	<u>(82,326)</u>	<u>(58,273)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>(82,326)</u>	<u>(58,273)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(540,871)</u>	<u>168,177</u>
Total comprehensive income for the year attributable to:		
The owners of the parent company	(516,564)	146,415
Non-controlling interests	<u>(24,307)</u>	<u>21,762</u>
	<u>(540,871)</u>	<u>168,177</u>

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	13	4,342,614	1,966,486
Tangible assets	14	4,152,926	4,299,102
		<u>8,495,540</u>	<u>6,265,588</u>
CURRENT ASSETS			
Stocks	16	2,428,369	5,379,964
Debtors	17	4,838,672	3,029,798
Cash at bank and in hand		173,292	267,968
		<u>7,440,333</u>	<u>8,677,730</u>
CREDITORS: amounts falling due within one year	19	8,895,125	7,622,326
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,454,792)</u>	<u>1,055,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,040,748</u>	<u>7,320,992</u>
CREDITORS: amounts falling due after more than one year	20	1,144,614	1,258,869
PROVISIONS			
Taxation including deferred tax	22	692,717	317,835
NET ASSETS		<u>5,203,417</u>	<u>5,744,288</u>
CAPITAL AND RESERVES			
Called up share capital	26	4,000	4,000
Profit and loss account	27	4,885,604	5,402,168
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		<u>4,889,604</u>	<u>5,406,168</u>
NON-CONTROLLING INTERESTS		<u>313,813</u>	<u>338,120</u>
		<u>5,203,417</u>	<u>5,744,288</u>

The consolidated statement of financial position
continues on the following page.
The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

30 SEPTEMBER 2021

These financial statements were approved by the board of directors and authorised for issue on ~~12-12-22~~, and are signed on behalf of the board by:



P Mann
Director

Company registration number: 01525421

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION

30 SEPTEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	13	4,342,614	1,966,486
Tangible assets	14	3,605,745	3,747,827
Investments	15	500,069	500,069
		<u>8,448,428</u>	<u>6,214,382</u>
CURRENT ASSETS			
Stocks	16	2,191,306	5,245,530
Debtors	17	4,398,877	2,570,198
Cash at bank and in hand		166,765	202,502
		<u>6,756,948</u>	<u>8,018,230</u>
CREDITORS: amounts falling due within one year	19	<u>8,516,964</u>	<u>7,310,420</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,760,016)</u>	<u>707,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,688,412</u>	<u>6,922,192</u>
CREDITORS: amounts falling due after more than one year	20	1,144,614	1,258,869
PROVISIONS			
Taxation including deferred tax	22	624,845	264,267
NET ASSETS		<u>4,918,953</u>	<u>5,399,056</u>
CAPITAL AND RESERVES			
Called up share capital	26	4,000	4,000
Profit and loss account	27	4,914,953	5,395,056
SHAREHOLDERS FUNDS		<u>4,918,953</u>	<u>5,399,056</u>

The loss for the financial year of the parent company was £480,103 (2020: £113,770 profit).

These financial statements were approved by the board of directors and authorised for issue on 12.12.21, and are signed on behalf of the board by:



P Mann
Director

Company registration number: 01525421

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controll ing interests £	Total £
AT 1 APRIL 2019	4,000	5,255,753	5,259,753	316,358	5,576,111
Profit for the year		188,038	188,038	38,412	226,450
Other comprehensive income for the year:					
Foreign currency retranslation	—	(41,623)	(41,623)	(16,650)	(58,273)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	146,415	146,415	21,762	168,177
AT 30 SEPTEMBER 2020	4,000	5,402,168	5,406,168	338,120	5,744,288
Loss for the year		(457,760)	(457,760)	(785)	(458,545)
Other comprehensive income for the year:					
Foreign currency retranslation	—	(58,804)	(58,804)	(23,522)	(82,326)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(516,564)	(516,564)	(24,307)	(540,871)
AT 30 SEPTEMBER 2021	4,000	4,885,604	4,889,604	313,813	5,203,417

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital £	Profit and loss account £	Total £
AT 1 APRIL 2019	4,000	5,281,286	5,285,286
Profit for the year		113,770	113,770
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	113,770	113,770
AT 30 SEPTEMBER 2020	4,000	5,395,056	5,399,056
Loss for the year		(480,103)	(480,103)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	(480,103)	(480,103)
AT 30 SEPTEMBER 2021	<u>4,000</u>	<u>4,914,953</u>	<u>4,918,953</u>

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the financial year		(482,067)	209,800
<i>Adjustments for:</i>			
Depreciation of tangible assets		184,647	266,742
Amortisation of intangible assets		99,200	–
Government grant income		(28,384)	(238,411)
Other interest receivable and similar income		(255)	(819)
Interest payable and similar expenses		72,834	84,480
Loss on disposal of tangible assets		–	1,441
Unrealised foreign currency loss		43,425	–
Tax on loss		(770,711)	(327,604)
Accrued (income)/expenses		(156,553)	363,167
<i>Changes in:</i>			
Stocks		2,951,595	(1,427,997)
Trade and other debtors		(1,808,874)	895,869
Trade and other creditors		982,392	2,256,501
Cash generated from operations		1,087,249	2,083,169
Interest paid		(72,834)	(84,480)
Interest received		255	819
Tax received		1,145,593	743,768
Net cash from operating activities		<u>2,160,263</u>	<u>2,743,276</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(43,502)	(91,931)
Proceeds from sale of tangible assets		–	700
Purchase of intangible assets		(2,475,328)	(1,569,686)
Net cash used in investing activities		<u>(2,518,830)</u>	<u>(1,660,917)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		366,841	567,008
Repayments of borrowings		(523,773)	–
Government grant income		28,384	238,411
Payments of finance lease liabilities		(50,705)	(84,278)
Net cash (used in)/from financing activities		<u>(179,253)</u>	<u>721,141</u>

The consolidated statement of cash flows
continues on the following page.
The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*
YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £	2020 £
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(537,820)	1,803,500
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>267,968</u>	<u>(1,535,532)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	<u>(269,852)</u>	<u>267,968</u>

The notes on pages 23 to 43 form part of these financial statements.

A M PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2021

1. General information

A M Packaging Limited is a private company limited by shares, incorporated in England and Wales. The address of its registered office is Somerby Way, Gainsborough, Lincolnshire, DN21 1QT.

The subsidiary company, AMP Rose Private Limited, is incorporated in India.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis and in sterling, which is the functional currency of the entity.

Going concern

We draw attention to the Directors assessment of going concern included in the Strategic Report.

Accordingly, the financial statements have been prepared on a going concern basis.

Disclosure exemptions

The entity does not qualify for any disclosure exemptions.

Consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted to eliminate group balances and transactions on consolidation. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the consolidated financial statements by virtue of section 408 of the Companies Act 2006.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise.

- **Significant judgements**

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

(i) Recognition of development expenditure

The Directors have used their judgement when allocating expenditure as capitalised development costs. Further details are included in the relevant accounting policy paragraph. During the period they have identified £2.5M (2020 - £1.6M) of capital expenditure.

A M PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

(ii) Amortisation

The Directors have made assessments on when the development machines become available for use. From that point the development expenditure is amortised in line with the policy described below.

(iii) Depreciation charges in subsidiary accounts

The annual depreciation charge in the subsidiary entity has been adjusted to reflect the group policies.

(iv) Deferred tax rate

Following the announcement on 23 September 2022 to reverse the proposed increase in the mainstream corporation tax to 25% the Directors have continued to provide for the Deferred Tax liability at 19% which they consider to reflect the true rate at which the deferred tax will unravel.

• Key sources of estimation uncertainty

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

(i) Depreciation and amortisation charges

The annual depreciation/amortisation charges for tangible/intangible assets are sensitive to changes in the useful economic lives and residual values of the assets. These are reviewed periodically by the Directors to ensure that they reflect both external and internal factors.

(ii) Impairment of debtors

The Directors makes an estimate of the recoverable value of trade and other debtors. When making their assessment, they consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iii) Long term contracts

The manufacturing process can be significant and so the Directors are required to recognise profit as the job progresses. In order to do this they review the expected revenue and costs on a job by job basis and, once a cash inflow becomes probable, recognise the relevant profits on the basis of the stage of completion. Where a job is expected to make a loss then the full loss is immediately recognised in the profit and loss account.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Revenue recognition

Turnover comprises the value of sales of goods and services in the normal course of business after deducting trade discounts, value added tax and other taxes based on turnover.

Services provided during the year which have not been invoiced at the balance sheet date have been recognised as turnover in accordance with FRS 102 and included as accrued income. Turnover recognised in this manner is based upon an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

The financial statements of the subsidiary of the parent company are translated to the presentational currency of these consolidated financial statements prior to consolidation. For each year the subsidiary is presented in the consolidated financial statements (including comparatives) the assets and liabilities are translated at the closing rate, the profit and loss account is translated at the average rate, and share capital is translated at the historical rate. All resulting exchange differences on translation of the subsidiary are recognised directly in the profit and loss reserve.

Operating leases

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

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

The amortisation charge for development costs capitalised as intangible assets is calculated as follows:-

- we estimate how many future sales of machines will be derived from the prototype
- if/when we sell a machine, the relevant amount of amortisation is deducted
- if no machines are sold within 2 years of the end of year of capitalisation, then the value is amortised at 20% p.a. unless it is considered to have no future economic benefit whereby it is written off to the profit and loss account.

Research and development

Research expenditure is written off in the period in which it is incurred.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Research and development *(continued)*

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Buildings	-	2% straight line
Plant and machinery	-	10% reducing balance
Furniture and IT equipment	-	10% reducing balance to 20% straight line
Motor vehicles	-	25% reducing balance

Land is not depreciated.

Investments in subsidiaries

Investments in subsidiaries accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

A M PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value on a first in first out basis, after making due allowance for obsolete and slow moving items.

Finance leases and hire purchase contracts

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

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

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

The Coronavirus Job Retention Scheme grant has been recognised under the accrual model, and is shown within Government Grant Income within the financial statements.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

3. Accounting policies *(continued)*

Financial instruments

The company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the company and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at amortised cost.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Sale of machinery	10,516,331	11,825,706
Sale of spare parts	1,965,025	3,329,909
Rendering of services	197,191	369,689
Other income	36,978	111,906
	<u>12,715,525</u>	<u>15,637,210</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
United Kingdom	9,510,884	10,861,881
Overseas	3,204,641	4,775,329
	<u>12,715,525</u>	<u>15,637,210</u>

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

5. Other operating income

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Management charges receivable	420,000	220,000
Government grant income	28,384	238,411
Grants receivable	2,562	35,401
Other operating income	—	5,335
	<u>450,946</u>	<u>499,147</u>

The grants receivable relate directly to expenditure during the year.

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Amortisation of intangible assets	99,200	—
Depreciation of tangible assets	184,647	266,742
Loss on disposal of tangible assets	—	1,441
Impairment of trade debtors	(7,092)	17,601
Foreign exchange differences	1,967	(31,969)
	<u>1,967</u>	<u>(31,969)</u>

7. Auditor's remuneration

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Fees payable for the audit of the financial statements	13,575	17,170
	<u>13,575</u>	<u>17,170</u>

8. Staff costs

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

	2021 No.	2020 No.
Production staff	155	200
Distribution staff	2	3
Administrative staff	23	39
Management staff	7	7
	<u>187</u>	<u>249</u>

A M PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

8. Staff costs *(continued)*

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

	Year to 30 Sep 21	Period from 1 Apr 19 to 30 Sep 20
	£	£
Wages and salaries	3,132,985	5,603,962
Social security costs	428,016	583,677
Other pension costs	132,087	408,060
	<u>3,693,088</u>	<u>6,595,699</u>

9. Directors' remuneration

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

	Year to 30 Sep 21	Period from 1 Apr 19 to 30 Sep 20
	£	£
Remuneration	548,219	798,327
Company contributions to defined contribution pension plans	—	240,000
	<u>548,219</u>	<u>1,038,327</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	Year to 30 Sep 21	Period from 1 Apr 19 to 30 Sep 20
	£	£
Aggregate remuneration	<u>228,119</u>	<u>333,987</u>

10. Other interest receivable and similar income

	Year to 30 Sep 21	Period from 1 Apr 19 to 30 Sep 20
	£	£
Interest on cash and cash equivalents	<u>255</u>	<u>819</u>

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

11. Interest payable and similar expenses

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Interest on banks loans and overdrafts	27,512	1,288
Interest on obligations under finance leases and hire purchase contracts	10,538	17,275
Other interest payable and similar charges	34,784	65,917
	<u>72,834</u>	<u>84,480</u>

12. Tax on loss

Major components of tax income

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Current tax:		
UK current tax income	(1,057,267)	(720,000)
Adjustments in respect of prior periods	(78,042)	(58,976)
Total UK current tax	(1,135,309)	(778,976)
Foreign current tax income	(10,272)	33,362
Adjustments in respect of prior periods	(12)	1,846
Total foreign tax	(10,284)	35,208
Total current tax	<u>(1,145,593)</u>	<u>(743,768)</u>
Deferred tax:		
Origination and reversal of timing differences	374,882	416,164
Tax on loss	<u>(770,711)</u>	<u>(327,604)</u>

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

12. Tax on loss *(continued)*

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	Year to 30 Sep 21 £	Period from 1 Apr 19 to 30 Sep 20 £
Loss on ordinary activities before taxation	(1,252,778)	(117,804)
Loss on ordinary activities by rate of tax	(238,027)	(22,383)
Adjustment to tax charge in respect of prior periods	(78,042)	11,205
Effect of expenses not deductible for tax purposes	(3,424)	24,061
Effect of capital allowances and depreciation	22,557	798
Effect of Research & Development credits	(473,775)	(341,285)
Tax on loss	(770,711)	(327,604)

13. Intangible assets

Group	Goodwill £	Development costs £	Total £
Cost			
At 1 October 2020	102,383	2,065,686	2,168,069
Additions	–	2,475,328	2,475,328
At 30 September 2021	102,383	4,541,014	4,643,397
Amortisation			
At 1 October 2020	102,383	99,200	201,583
Charge for the year	–	99,200	99,200
At 30 September 2021	102,383	198,400	300,783
Carrying amount			
At 30 September 2021	–	4,342,614	4,342,614
At 30 September 2020	–	1,966,486	1,966,486

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

13. Intangible assets *(continued)*

Company	Development costs £
Cost	
At 1 October 2020	2,065,686
Additions	2,475,328
At 30 September 2021	4,541,014
Amortisation	
At 1 October 2020	99,200
Charge for the year	99,200
At 30 September 2021	198,400
Carrying amount	
At 30 September 2021	4,342,614
At 30 September 2020	1,966,486

14. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2020	4,025,852	1,594,936	454,296	137,988	6,213,072
Additions	—	—	743	42,759	43,502
Disposals	(33,003)	(10,423)	—	(40,302)	(83,728)
At 30 September 2021	3,992,849	1,584,513	455,039	140,445	6,172,846
Depreciation					
At 1 October 2020	438,770	1,066,227	306,908	102,065	1,913,970
Charge for the year	77,650	54,272	33,839	18,886	184,647
Disposals	(7,546)	(20,087)	(6,256)	(44,808)	(78,697)
At 30 September 2021	508,874	1,100,412	334,491	76,143	2,019,920
Carrying amount					
At 30 September 2021	3,483,975	484,101	120,548	64,302	4,152,926
At 30 September 2020	3,587,082	528,709	147,388	35,923	4,299,102

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

14. Tangible assets *(continued)*

Company	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	IT Equipment £	Total £
Cost						
At 1 Oct 2020	3,550,431	1,183,173	134,254	59,347	196,716	5,123,921
Additions	—	—	532	—	1,588	2,120
At 30 Sep 2021	<u>3,550,431</u>	<u>1,183,173</u>	<u>134,786</u>	<u>59,347</u>	<u>198,304</u>	<u>5,126,041</u>
Depreciation						
At 1 Oct 2020	332,636	782,607	95,536	42,087	123,228	1,376,094
Charge for the year	71,009	40,057	3,893	4,315	24,928	144,202
At 30 Sep 2021	<u>403,645</u>	<u>822,664</u>	<u>99,429</u>	<u>46,402</u>	<u>148,156</u>	<u>1,520,296</u>
Carrying amount						
At 30 Sep 2021	<u>3,146,786</u>	<u>360,509</u>	<u>35,357</u>	<u>12,945</u>	<u>50,148</u>	<u>3,605,745</u>
At 30 Sep 2020	<u>3,217,795</u>	<u>400,566</u>	<u>38,718</u>	<u>17,260</u>	<u>73,488</u>	<u>3,747,827</u>

Group Freehold Property includes non-depreciable land to the value of £115,794 (2020 - £124,471).

Finance leases and hire purchase contracts

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

Group and company	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
At 30 September 2021	<u>123,063</u>	<u>172,587</u>	<u>7,579</u>	<u>303,229</u>
At 30 September 2020	<u>125,813</u>	<u>191,764</u>	<u>10,106</u>	<u>327,683</u>

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 October 2020 and 30 September 2021	<u>500,069</u>
Impairment	
At 1 October 2020 and 30 September 2021	<u>—</u>

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

15. Investments *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 1 October 2020 and 30 September 2021	<u>500,069</u>
At 30 September 2020	<u>500,069</u>

Investments in subsidiaries are valued at the company's shareholding proportion of the net assets of the underlying entity unless this exceeds the cost of the investment in which case the cost of the investment is restricted to cost. In the opinion of the directors this gives a fair reflection of the nature of the investments, which are held with a long term view, and therefore no uplift in value over initial cost of the investment is recognised, and the recoverable amount of the investment is based on quantifiable values from the relevant proportion of the company's share in the underlying net assets of the entity invested in.

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
A M P Rose Private Limited	Ordinary	60

16. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	230,112	121,984	—	—
Work in progress	193,016	3,984,790	193,016	3,984,790
Finished goods and goods for resale	2,005,241	1,273,190	1,998,290	1,260,740
	<u>2,428,369</u>	<u>5,379,964</u>	<u>2,191,306</u>	<u>5,245,530</u>

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,045,163	861,625	863,055	600,648
Prepayments and accrued income	408,846	339,357	189,308	149,544
Corporation tax repayable	1,851,109	715,800	1,851,109	715,800
Directors loan account	–	20,599	–	20,599
Amounts recoverable on contracts	1,480,816	954,405	1,480,816	954,405
Other debtors	52,738	138,012	14,589	129,202
	<u>4,838,672</u>	<u>3,029,798</u>	<u>4,398,877</u>	<u>2,570,198</u>

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2021	2020
	£	£
Cash at bank and in hand	173,292	267,968
Bank overdrafts	(443,144)	–
	<u>(269,852)</u>	<u>267,968</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	714,651	387,928	714,651	387,928
Payments received on account	3,549,284	3,044,725	3,549,284	3,044,725
Trade creditors	2,476,833	2,721,392	2,346,866	2,617,464
Amounts owed to group undertakings	–	–	49,255	17,738
Accruals and deferred income	286,755	443,308	128,504	361,728
Social security and other taxes	1,226,262	683,959	1,226,262	683,959
Obligations under finance leases and hire purchase contracts	54,627	49,247	54,627	49,247
Director loan accounts	17,659	–	17,659	–
Other creditors	569,054	291,767	429,856	147,631
	<u>8,895,125</u>	<u>7,622,326</u>	<u>8,516,964</u>	<u>7,310,420</u>

The bank loan is secured by way of a first legal charge over freehold property held within the company and an all moneys personal guarantee from the directors.

The hire purchase liabilities are secured on the assets to which they relate.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	1,064,895	1,123,065	1,064,895	1,123,065
Obligations under finance leases and hire purchase contracts	79,719	135,804	79,719	135,804
	<u>1,144,614</u>	<u>1,258,869</u>	<u>1,144,614</u>	<u>1,258,869</u>

The bank loan is secured by way of a first legal charge over freehold property held within the company and an all moneys personal guarantee from the directors.

The hire purchase liabilities are secured on the assets to which they relate.

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £54,214) for the group and £Nil (2020: £54,214) for the company in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The main bank loan is repayable over 10 years with an interest rate of 2.51% above base rate.

21. Finance leases and hire purchase contracts

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	54,627	49,247	54,627	49,247
Later than 1 year and not later than 5 years	79,719	135,804	79,719	135,804
	<u>134,346</u>	<u>185,051</u>	<u>134,346</u>	<u>185,051</u>

22. Provisions

Group	Deferred tax (note 23) £
At 1 October 2020	317,835
Additions	374,882
At 30 September 2021	<u>692,717</u>

A M PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

22. Provisions *(continued)*

Company	Deferred tax (note 23) £
At 1 October 2020	264,267
Additions	360,578
At 30 September 2021	<u>624,845</u>

23. Deferred tax

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in provisions (note 22)	<u>692,717</u>	<u>317,835</u>	<u>624,845</u>	<u>264,267</u>

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	1,093,930	642,665	1,026,058	589,097
Unused tax losses	(390,059)	(320,967)	(390,059)	(320,967)
Other retirement benefits	(11,154)	(3,863)	(11,154)	(3,863)
	<u>692,717</u>	<u>317,835</u>	<u>624,845</u>	<u>264,267</u>

The deferred tax asset is expected to unravel in the next few years as the losses are utilised against profits and the deferred tax liability on accelerated capital allowances/development costs should unwind over the next few years as, in aggregate, depreciation is now greater than the capital allowance rates and the amortisation is released on the development costs.

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £132,087 (2020: £408,060).

25. Government grants

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>28,384</u>	<u>238,411</u>	<u>28,384</u>	<u>238,411</u>

A M PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

26. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

27. Reserves

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

28. Analysis of changes in net debt

	At 1 Oct 2020	Cash flows	At 30 Sep 2021
	£	£	£
Cash at bank and in hand	267,968	(94,676)	173,292
Bank overdrafts	—	(443,144)	(443,144)
Debt due within one year	(437,175)	93,382	(343,793)
Debt due after one year	<u>(1,258,869)</u>	<u>114,255</u>	<u>(1,144,614)</u>
	<u>(1,428,076)</u>	<u>(330,183)</u>	<u>(1,758,259)</u>

29. Operating leases

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	140,512	135,555	140,512	135,555
Later than 1 year and not later than 5 years	132,420	126,489	132,420	126,489
Later than 5 years	<u>3,210,000</u>	<u>3,240,000</u>	<u>3,210,000</u>	<u>3,240,000</u>
	<u>3,482,932</u>	<u>3,502,044</u>	<u>3,482,932</u>	<u>3,502,044</u>

30. Events after the end of the reporting period

On 26 October 2021 the shares in the company were purchased by Mann Property Holdings Ltd. Mann Property Holdings Ltd is a company under the control of Mann Grp Ltd. This is a company registered in England and Wales, number 13682542 and is under the control of the directors.

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

31. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

2021				
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
A Mann	18,777	25,544	(64,098)	(19,777)
D Mann	1,822	296	—	2,118
	<u>20,599</u>	<u>25,840</u>	<u>(64,098)</u>	<u>(17,659)</u>
2020				
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
A Mann	1,665	32,502	(15,390)	18,777
P Mann	10,310	—	(10,310)	—
D Mann	(4,816)	6,638	—	1,822
	<u>7,159</u>	<u>39,140</u>	<u>(25,700)</u>	<u>20,599</u>

A M PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30 SEPTEMBER 2021

32. Related party transactions

Company

The Group was under the control of A Mann throughout the current and previous year. A Mann is the managing director and majority shareholder.

Directors loans

For details of transactions please refer to note 31 of these financial statements

Transactions in A M Packaging Limited

A Mann charged the company £52,000 (2020 - £70,000) for the use of accommodation. At the year end a balance of £nil remained outstanding (2020 - £39,000).

As part of the general terms and conditions of the bank loan there are personal guarantees from the Directors in the form of an all-moneys guarantee totalling £250,000.

A M P Rose Private Limited

During the year the company purchased £104,344 (2020 - £80,794) from and supplied £nil (2020 - £5,255) to A M P Rose Private Limited. At the year end the company owed £49,255 (2020 - £nil) to A M P Rose Private Limited. At the previous year end the company was owed £1,675 by A M P Rose Private Limited.

A M Packaging Limited Pension Scheme

A M Packaging Limited Pension Scheme rents property to the company on a commercial basis and charged £75,000 (2020 - £132,750) in the year. At the year end the company owed £352,750 (2020 - £132,750) to A M Packaging Limited Pension Scheme. Repayment terms have not been agreed however interest is charged on the balance.

Candy Machinery Limited

During the year the company purchased £32,213 (2020 - £13,500) from and supplied £384,458 (2020 - £1,203,714) to Candy Machinery Limited. At the year the company owed £95,283 (2020 - £264,000) to Candy Machinery Limited.

All transactions were at an arm's length basis and on normal commercial terms.

Key management personnel

Key management personnel remuneration totalled £548,219 (2020 - £1,038,327).