

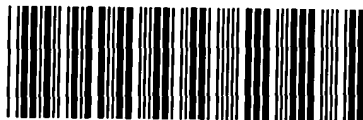
Centurion Industrial Packaging Limited

Registered number: 04971061

Directors' report and financial statements

For the year ended 31 July 2016

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CENTURION INDUSTRIAL PACKAGING LIMITED
REGISTERED NUMBER: 04971061

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2016

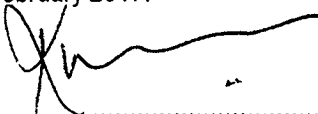
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	114,326	154,485
		<u>114,326</u>	<u>154,485</u>
Current assets			
Stocks		810,813	879,112
Debtors		1,358,578	1,346,949
Cash at bank and in hand		488,810	35,339
		<u>2,658,201</u>	<u>2,261,400</u>
Creditors: amounts falling due within one year		(1,247,693)	(1,156,825)
Net current assets		<u>1,410,508</u>	<u>1,104,575</u>
Total assets less current liabilities		<u>1,524,834</u>	<u>1,259,060</u>
Provisions for liabilities			
Deferred tax		(1,580)	(4,796)
		<u>(1,580)</u>	<u>(4,796)</u>
Net assets		<u><u>1,523,254</u></u>	<u><u>1,254,264</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		1,523,154	1,254,164
		<u>1,523,254</u>	<u>1,254,264</u>

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

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 February 2017.


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K M Higginson
Director

CENTURION INDUSTRIAL PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. General information

Centurion Industrial Packaging Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Lawford Heath Industrial Estate, Lawford Heath Ln, Rugby CV23 9EU. The principal activity of the Company is the supply of high-quality packaging products. The Company operates within the UK and sells primarily to the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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:

Sale of goods

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

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

2.3 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.

CENTURION INDUSTRIAL PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Plant and machinery	- 25% reducing balance and 10 year straight line
Motor vehicles	- 33.3% reducing balance
Fixtures and fittings	- 25% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Stocks

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

At each 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.

2.5 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.

2.6 Cash and cash equivalents

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

2.7 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 debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing

CENTURION INDUSTRIAL PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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.

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.8 Creditors

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

2.9 Finance costs

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

2.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

CENTURION INDUSTRIAL PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

2. Accounting policies (continued)**2.11 Pensions****Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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.

2.12 Interest income

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

2.13 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 Statement of Comprehensive Income 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.

CENTURION INDUSTRIAL PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

2. Accounting policies (continued)**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

3. Employees

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

	2016 No.	2015 No.
Warehouse	3	2
Administration	11	11
Director	1	1
	<u>15</u>	<u>14</u>

CENTURION INDUSTRIAL PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 August 2015	137,976	124,115	39,900	301,991
Additions	14,428	23,225	1,435	39,088
Disposals	-	(45,520)	-	(45,520)
At 31 July 2016	152,404	101,820	41,335	295,559
Depreciation				
At 1 August 2015	102,047	27,663	17,796	147,506
Charge for the period on owned assets	12,723	31,829	5,772	50,324
Disposals	-	(16,597)	-	(16,597)
At 31 July 2016	114,770	42,895	23,568	181,233
Net book value				
At 31 July 2016	37,634	58,925	17,767	114,326
At 31 July 2015	35,929	96,452	22,104	154,485

5. Contingent liabilities

The company is party to a debenture and inter-company guarantee in respect of bank facilities with the following group companies:

- DK Group Investments Limited
- DK Packing and Casemaking Limited
- Mercury Material Management Limited
- Lifford Industrial Properties Limited
- Action Pak (DKG) Limited
- DK Group Packaging Limited
- DK Fulfilment Limited
- Lufapak Holdings Limited
- Lemonpath Limited

CENTURION INDUSTRIAL PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

6. Commitments under operating leases

At 31 July 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	48,000	48,000
Later than 1 year and not later than 5 years	48,000	96,000
	<u>96,000</u>	<u>144,000</u>
	2016 £	2015 £
Not later than 1 year	558	862
Later than 1 year and not later than 5 years	1,147	1,446
Later than 5 years	-	259
	<u>1,705</u>	<u>2,567</u>

7. Controlling party

The directors consider that the ultimate parent undertaking of this company is DK Group Investments Limited, a company registered in England and Wales. The smallest and largest group of which the Company is a member and for which group accounts are prepared is DK Group Investments Limited. Copies of these accounts are available from the Registered Office as set out in note 1.

8. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

9. Auditor's information

The auditor's report was unqualified with no reference to any matters to which the auditor drew attention by way of emphasis. The auditor's report was signed by Ian Holder (Senior Statutory Auditor) for and on behalf of Mazars LLP.