

Registered number
07564536

eCorrugated Limited

Report and Financial Statements

31 January 2020

eCorrugated Limited
Report and accounts
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eCorrugated Limited
Company Information

Director

Mr P Lavelle

Auditors

John Kerr & Company CA

32a Hamilton Street

Saltcoats

North Ayrshire

KA21 5DS

Registered office

Units 13-14 Valad Industrial Estate

Poole Hall Road

Ellesmere Port

Cheshire

CH66 1ST

Registered number

07564536

eCorrugated Limited**Registered number:** 07564536**Director's Report**

The director presents his report and financial statements for the year ended 31 January 2020.

Principal activities

The company's principal activity during the year continued to be the manufacture of high volume corrugated 0201 boxes.

Directors

The following persons served as directors during the year:

Mr P Lavelle

Director's responsibilities

The director is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 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 state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Disclosure of information to auditors

The director confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 15 January 2021 and signed on its behalf.

Mr P Lavelle
Director

eCorrugated Limited

Strategic Report

Business review

The year to 31 January 2020 was another successful year for the company with turnover and margins maintained from the previous year. The performance of the company was supported by the continued excellent product and customer service which underpins the company. Through significant capacity investment in recent years, the company is well positioned to deliver growth in the forthcoming years, whilst retaining its extremely efficient low-cost manufacturing base. The continuing complexities and uncertainties around Brexit remain real and the company manages the potential commercial risks by regular reviews with the Board. Furthermore, competitive pressures which are ever present in the sector that the company operates are managed by retaining its focus on low-cost, lean manufacture, excelling in customer service, right first-time manufacture and maintaining robust relationships with its customers.

Global COVID-19 Pandemic

At the time of writing this strategic report, prior to the statutory filing deadline, global statistics on the state of the pandemic show the UK after its peak and in decline but still at risk of further issues developing.

The Board monitored the business risks associated to Covid-19 and acted quickly to implement strategies and policies to protect our employees and the business. As many of our customers are designated key suppliers we maintained manufacturing operations throughout the lockdown period, at all times complying with government and HSE regulations. Whilst the medium and long term impact of the virus is unknown, the Company continues to see strong demand for corrugated boxes across its client base and considers that it has adequate funding in place to manage any potential short-term disruption in the event there is a second wave in COVID-19 cases.

Subsequent Events

Subsequent to 31 January 2020, De Jong Packaging Holdings, an independent corrugating packaging manufacturer based in De Lier, Netherlands acquired a controlling stake in the company. This exciting new partnership will ensure the ambition of eCorrugated Ltd to become the UK's largest independent, lowest cost, and sustainable corrugated manufacturer will be realised.

This report was approved by the board on 15 January 2021 and signed on its behalf.

Mr P Lavelle
Director

eCorrugated Limited

Independent auditor's report to the members of eCorrugated Limited

Opinion

We have audited the financial statements of eCorrugated Limited for the year ended 31 January 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 and of its profit 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 of opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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; or

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Bruce Fairgrieve
(Senior Statutory Auditor)
for and on behalf of
John Kerr & Company CA
Accountants and Statutory Auditors
19 January 2021

32a Hamilton Street
Saltcoats
North Ayrshire
KA21 5DS

eCorrugated Limited
Income Statement
for the year ended 31 January 2020

	Notes	2020 £	2019 £
Turnover	2	12,316,355	12,675,852
Cost of sales		(10,342,390)	(10,697,409)
Gross profit		<u>1,973,965</u>	<u>1,978,443</u>
Administrative expenses		(1,453,155)	(1,399,139)
Other operating income		33,744	35,848
Operating profit	3	<u>554,554</u>	<u>615,152</u>
Interest payable	5	(82,243)	(108,858)
Profit on ordinary activities before taxation		<u>472,311</u>	<u>506,294</u>
Tax on profit on ordinary activities	6	(6,794)	(158,947)
Profit for the financial year		<u>465,517</u>	<u>347,347</u>

eCorrugated Limited**Statement of comprehensive income
for the year ended 31 January 2020**

	Notes	2020	2019
		£	£
Profit for the financial year		465,517	347,347
Other comprehensive income			
Total comprehensive income for the year		<u>465,517</u>	<u>347,347</u>

eCorrugated Limited
Statement of Financial Position
as at 31 January 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	7	1,251,922	1,502,010
Current assets			
Stocks	8	134,505	99,500
Debtors	9	2,992,894	2,925,254
Cash at bank and in hand		394,430	781,464
		<u>3,521,829</u>	<u>3,806,218</u>
Creditors: amounts falling due within one year	10	(3,045,599)	(3,758,613)
Net current assets		<u>476,230</u>	<u>47,605</u>
Total assets less current liabilities		<u>1,728,152</u>	<u>1,549,615</u>
Creditors: amounts falling due after more than one year	11	(353,888)	(619,932)
Provisions for liabilities			
Deferred taxation	13	<u>(138,011)</u>	<u>(158,947)</u>
Net assets		<u>1,236,253</u>	<u>770,736</u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Profit and loss account	15	1,186,253	720,736
Total equity		<u>1,236,253</u>	<u>770,736</u>

Mr P Lavelle

Director

Approved by the board on 15 January 2021

eCorrugated Limited**Statement of Changes in Equity****for the year ended 31 January 2020**

	Share capital	Profit and loss account	Total
	£	£	£
At 1 February 2018	50,000	532,389	582,389
Profit for the financial year		347,347	347,347
Dividends		(159,000)	(159,000)
At 31 January 2019	<u>50,000</u>	<u>720,736</u>	<u>770,736</u>
 At 1 February 2019	50,000	720,736	770,736
Profit for the financial year		465,517	465,517
 At 31 January 2020	<u>50,000</u>	<u>1,186,253</u>	<u>1,236,253</u>

eCorrugated Limited
Statement of Cash Flows
for the year ended 31 January 2020

	Notes	2020 £	2019 £
Operating activities			
Profit for the financial year		465,517	347,347
Adjustments for:			
Interest payable		82,243	108,859
Tax on profit on ordinary activities		6,794	158,947
Depreciation		253,010	259,602
EBITDA		807,564	874,755
Grant Income		(33,744)	(35,848)
Increase in stocks		(35,005)	(17,080)
Increase in debtors		(37,929)	(174,844)
(Decrease)/increase in creditors		(960,667)	505,301
		<u>(1,067,345)</u>	<u>277,529</u>
Cash (used in)/generated by operating activities		<u>(259,781)</u>	<u>1,152,284</u>
Investing activities			
Payments to acquire tangible fixed assets		(2,922)	(9,824)
Cash used in investing activities		<u>(2,922)</u>	<u>(9,824)</u>
Interest costs			
Debtor finance charges and interest		(33,222)	(40,251)
Hire purchase charges and interest		(49,021)	(68,607)
Cash used in financing activities		<u>(82,243)</u>	<u>(108,858)</u>
Financing activities			
Equity dividends paid		-	(99,524)
Repayment of loans		(87,503)	-
Advance/(repayment) of borrowings		258,128	(1,010,887)
Capital element of finance lease payments		(212,713)	(193,126)
Cash used in financing activities		<u>(42,088)</u>	<u>(1,303,537)</u>
Net cash used			
Cash (used in)/generated by operating activities		(259,781)	1,152,284
Cash used in investing activities		(2,922)	(9,824)
Cash used in interest costs		(82,243)	(108,858)
Cash used in financing activities		(42,088)	(1,303,537)

Net cash used	<u>(387,034)</u>	<u>(269,935)</u>
Cash and cash equivalents at 1 February	<u>781,464</u>	<u>1,051,399</u>
Cash and cash equivalents at 31 January	<u>394,430</u>	<u>781,464</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>394,430</u>	<u>781,464</u>

eCorrugated Limited
Notes to the Accounts
for the year ended 31 January 2020

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 10 years
Fixtures, fittings, tools and equipment	over 10 years
Computer equipment	over 3 years

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Analysis of turnover	2020	2019
	£	£
Sale of goods	<u>12,316,355</u>	<u>12,675,852</u>
By geographical market:		
UK	11,634,652	12,281,874
Europe	<u>681,703</u>	<u>393,978</u>
	<u>12,316,355</u>	<u>12,675,852</u>
3 Operating profit	2020	2019
	£	£

This is stated after charging:

Depreciation of owned fixed assets	47,653	35,648
Depreciation of assets held under finance leases and hire purchase contracts	205,357	223,954
Carrying amount of stock sold	<u>8,630,710</u>	<u>9,028,704</u>

4 Staff costs	2020	2019
	£	£

Wages and salaries	1,058,885	1,020,576
Other pension costs	20,587	11,688
	<u>1,079,472</u>	<u>1,032,264</u>

Average number of employees during the year	Number	Number
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Administration	7	7
Manufacturing	29	28
	<u>36</u>	<u>35</u>

5 Interest payable	2020	2019
	£	£

Finance charges payable under finance leases and hire purchase contracts	<u>82,243</u>	<u>108,858</u>
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6 Taxation	2020	2019
	£	£

Analysis of charge in period

Current tax:

UK corporation tax on profits of the period	<u>27,730</u>	<u>-</u>
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Deferred tax:

Origination and reversal of timing differences	<u>(20,936)</u>	<u>158,947</u>
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Tax on profit on ordinary activities	<u>6,794</u>	<u>158,947</u>
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Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020	2019
	£	£
Profit on ordinary activities before tax	<u>472,311</u>	<u>506,294</u>

Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	89,739	96,196
Effects of:		
Expenses not deductible for tax purposes	(62,009)	(96,196)
Current tax charge for period	<u>27,730</u>	<u>-</u>

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	<i>At cost</i>	<i>At cost</i>	
	£	£	£
Cost or valuation			
At 1 February 2019	2,512,057	45,066	2,557,123
Additions	-	2,922	2,922
At 31 January 2020	<u>2,512,057</u>	<u>47,988</u>	<u>2,560,045</u>
Depreciation			
At 1 February 2019	1,013,294	41,819	1,055,113
Charge for the year	251,206	1,804	253,010
At 31 January 2020	<u>1,264,500</u>	<u>43,623</u>	<u>1,308,123</u>
Carrying amount			
At 31 January 2020	<u>1,247,557</u>	<u>4,365</u>	<u>1,251,922</u>
At 31 January 2019	<u>1,498,763</u>	<u>3,247</u>	<u>1,502,010</u>

8 Stocks	2020	2019
	£	£
Raw materials and consumables	42,197	50,059
Finished goods and goods for resale	92,308	49,441
	<u>134,505</u>	<u>99,500</u>

9 Debtors	2020	2019
	£	£
Trade debtors	2,863,936	2,655,464
Other debtors	28,026	-

Prepayments and accrued income	100,932	269,790
	<u>2,992,894</u>	<u>2,925,254</u>
10 Creditors: amounts falling due within one year	2020	2019
	£	£
Invoice discounting	258,128	-
Obligations under finance lease and hire purchase contracts	232,300	212,713
Trade creditors	2,117,035	3,084,354
Corporation tax	27,730	-
Other taxes and social security costs	155,109	230,874
Other creditors	7,864	60,122
Accruals and deferred income	247,433	170,550
	<u>3,045,599</u>	<u>3,758,613</u>
11 Creditors: amounts falling due after one year	2020	2019
	£	£
Obligations under finance lease and hire purchase contracts	253,216	485,516
Accruals and deferred income	100,672	134,416
	<u>353,888</u>	<u>619,932</u>
12 Obligations under finance leases and hire purchase contracts	2020	2019
	£	£
Amounts payable:		
Within one year	232,300	212,713
Within two to five years	253,216	485,516
	<u>485,516</u>	<u>698,229</u>
13 Deferred taxation	2020	2019
	£	£
Accelerated capital allowances	138,011	158,947
	<u>138,011</u>	<u>158,947</u>
	2020	2019
	£	£
At 1 February	158,947	-
(Credited)/charged to the profit and loss account	(20,936)	158,947
At 31 January	<u>138,011</u>	<u>158,947</u>

14 Share capital	Nominal value	2020 Number	2020 £	2019 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	50,000	50,000	50,000

15 Profit and loss account	2020 £	2019 £
At 1 February	720,736	532,389
Profit for the financial year	465,517	347,347
Dividends	-	(159,000)
At 31 January	1,186,253	720,736

16 Events after the reporting date

Subsequent to 31 January 2020, DJV Holding B.V., a private limited company incorporated in the Netherlands has taken a controlling stake in the company.

17 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings	Land and buildings	Other	Other
	2020	2019	2020	2019
	£	£	£	£
Falling due:				
within one year	294,319	278,493	9,490	3,752
within two to five years	362,350	656,669	8,867	1,305
	656,669	935,162	18,357	5,057

18 Controlling party

During the year, the controlling party of eCorrugated Limited was Mr P Lavelle, represented by his 100% share ownership. At the date of signing of the financial statements, the company was controlled by DJV Holding B.V., a company incorporated in the Netherlands.

19 Presentation currency

The financial statements are presented in Sterling.

20 Legal form of entity and country of incorporation

eCorrugated Limited is a private company limited by shares and incorporated in England.

21 Principal place of business

The address of the company's principal place of business and registered office is:

Units 13-14 Valad Industrial Estate
Poole Hall Road
Ellesmere Port
Cheshire
CH66 1ST

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