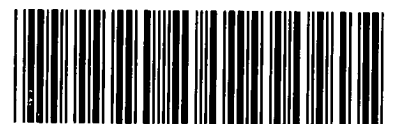


ONBOARD CORRUGATED LIMITED
Strategic Report, Report of the Director and
Audited Financial Statements
for the Year Ended 31 December 2021

Khanna & Co. Limited
Chartered Accountants and Statutory Auditor
6 Vicarage Road
Edgbaston
Birmingham
B15 3ES

THURSDAY



AB5TDORL

A06

09/06/2022

#109

COMPANIES HOUSE

**Contents of the Financial Statements
for the Year Ended 31 December 2021**

	Page
Company Information	1
Strategic Report	2
Report of the Director	4
Report of the Independent Auditors	6
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	16

ONBOARD CORRUGATED LIMITED

**Company Information
for the Year Ended 31 December 2021**

DIRECTOR: C S Jundu

REGISTERED OFFICE: Onboard House
Neachells Lane Roundabout
Neachells Lane
Wolverhampton
WV11 3QH

REGISTERED NUMBER: 07164981 (England and Wales)

AUDITORS: Khanna & Co. Limited
Chartered Accountants and Statutory Auditor
6 Vicarage Road
Edgbaston
Birmingham
B15 3ES

**Strategic Report
for the Year Ended 31 December 2021**

The directors present the strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The principal activity of the company continued to be that of a manufacturer of corrugated cardboard sheets supplying box manufacturers in both the UK and Ireland.

In the current period the company has invested significantly in plant and machinery which has helped to maintain the gross profit margin for the current year. It is anticipated that the investment in plant and machinery will lead to greater efficiencies in the production process and hence deliver increased profitability in the future.

Both the level of business and the year end financial position of the company were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the current level of activity.

PRINCIPAL RISKS AND UNCERTAINTIES

National minimum wage

The recurring increase in the national minimum wage, without a corresponding rise in skill levels or productivity, can lead to pressure on the gross profit margin. To mitigate this risk, the company has continued to invest in modern plant and machinery in order to improve its productivity.

Trade debtors

The company has several large customers who at any time can each owe in excess of £100,000.

The company monitors the credit worthiness of all major customers on an ongoing basis. Furthermore, certain specified debts except for related party debts, are insured to mitigate this risk.

Supplier price fluctuations

The company is mindful of suppliers of raw materials increasing their prices. However, all businesses within this UK market face this issue and generally move rapidly to increase selling prices to address the increase in input costs. Additionally, any price decreases in the price of raw materials could result in stock on hand being held at a higher value than current market selling prices.

This exposure is mitigated by high stock turnover and furthermore the company has not entered into any long term fixed price contracts with any of its customers.

Currency fluctuations

The company purchases a significant amount of raw materials from abroad. The volatility in currency exchange rates may cause some price pressures and reductions in margins. This uncertainty of currency fluctuation is mitigated by the company's use of a bank account denominated in the Euro.

Financial liquidity and interest rates

The company needs access to short-term funding for its working capital. This therefore means that the company is exposed to interest rate increases on such borrowings. To mitigate this risk, the company manages its funding on a very cautious basis.

Brexit

The United Kingdom left the European Union ("EU") on 31 January 2020 and we are currently in a transitional period with the EU. The transitional period with the EU could impact the company in certain areas such as supply of raw materials, supply prices, transport, logistics and legislation. The company is confident that it has adequate measures in place to deal with these issues.

Coronavirus

The country has been severely effected by coronavirus, we have ensured that the impact on the company has been kept to a minimum by taking appropriate action and implementing health and safety measures for all staff. The Government has issued a number of measures to help businesses and we will continue to monitor the situation.

**Strategic Report
for the Year Ended 31 December 2021**

FINANCIAL KEY PERFORMANCE INDICATORS

Within each of its business activities, the company closely monitors and reviews the following key performance indicators on a regular basis:

	<u>31 December 2021</u>	<u>31 December 2020</u>
Sales	£42,987,274	£20,518,812
Gross profit margin	30.65%	28.49%
Operating costs to sales	18.78%	28.95%
Net profit margin	9.37%	-
Average days stock held	59 days	109 days
Trade debtors collection period	99 days	134 days

ON BEHALF OF THE BOARD:



C S Jundu - Director

1 June 2022

**Report of the Director
for the Year Ended 31 December 2021**

The director presents his report with the financial statements of the company for the year ended 31 December 2021.

The profit for the year, after taxation, amounted to £3,082,999 (2020 : £1,449,802 loss).

DIVIDENDS

The directors do not propose payment of a final dividend (2020 - £nil).

DIRECTORS

The directors during the year under review were:

C S Jundu

Miss A Kaiser

- resigned 3.2.2021

The director holding office at 31 December 2021 did not hold any beneficial interest in the issued share capital of the company at 1 January 2021 or 31 December 2021.

POLITICAL DONATIONS AND EXPENDITURE

The company made charitable donations of £1,620 (2020 : £3,122).

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, the Report of the Director and the 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 (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are 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 auditors are aware of that information.

**Report of the Director
for the Year Ended 31 December 2021**

AUDITORS

The auditors, Khanna & Co. Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



C S Jundu - Director

1 June 2022

Report of the Independent Auditors to the Members of Onboard Corrugated Limited

Opinion

We have audited the financial statements of Onboard Corrugated Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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

In auditing the financial statements, we have concluded that the director's 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 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Onboard Corrugated Limited

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 Report of the Director.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

- considered the nature of the industry and sector, control environment and business performance;
- considered the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- considered the opportunities and incentives that may exist within the organisation for fraud;
- performed specific procedures to respond to the risk common with all audits and ISA's of management override;
- considered the legal and regulatory frameworks the Company operates in, including UK Companies Act, local tax legislation and health and safety law.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Onboard Corrugated Limited**

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 a Report of the Auditors 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.



Atul Khanna (Senior Statutory Auditor)
for and on behalf of Khanna & Co. Limited
Chartered Accountants and Statutory Auditor
6 Vicarage Road
Edgbaston
Birmingham
B15 3ES

1 June 2022

ONBOARD CORRUGATED LIMITED (REGISTERED NUMBER: 07164981)**Income Statement
for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
TURNOVER	2	42,987,274	20,518,812
Cost of sales		29,810,740	14,671,511
GROSS PROFIT		13,176,534	5,847,301
Administrative expenses		8,074,545	5,940,136
OPERATING PROFIT/(LOSS)	4	5,101,989	(92,835)
Loss on sale of fixed assets	5	451,392	1,210,314
		4,650,597	(1,303,149)
Interest receivable and similar income		91	10
		4,650,688	(1,303,139)
Interest payable and similar expenses	6	622,208	390,855
PROFIT/(LOSS) BEFORE TAXATION		4,028,480	(1,693,994)
Tax on profit/(loss)	7	945,481	(244,192)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,082,999	(1,449,802)

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
PROFIT/(LOSS) FOR THE YEAR		3,082,999	(1,449,802)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,082,999</u>	<u>(1,449,802)</u>

The notes form part of these financial statements

ONBOARD CORRUGATED LIMITED (REGISTERED NUMBER: 07164981)

**Balance Sheet
31 December 2021**

	Notes	2021	2020
		£	£
FIXED ASSETS			
Intangible assets	8	617,998	741,598
Tangible assets	9	10,423,436	10,689,615
		<u>11,041,434</u>	<u>11,431,213</u>
CURRENT ASSETS			
Stocks	10	4,814,905	4,400,185
Debtors	11	11,817,358	7,861,630
Cash at bank		2,573,897	1,312,020
		<u>19,206,160</u>	<u>13,573,835</u>
CREDITORS			
Amounts falling due within one year	12	8,286,195	6,070,072
NET CURRENT ASSETS		<u>10,919,965</u>	<u>7,503,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,961,399</u>	<u>18,934,976</u>
CREDITORS			
Amounts falling due after more than one year	13	(10,636,851)	(11,619,456)
PROVISIONS FOR LIABILITIES	18	(1,338,724)	(412,695)
NET ASSETS		<u><u>9,985,824</u></u>	<u><u>6,902,825</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	2,100,000	2,100,000
Share premium	20	3,150,000	3,150,000
Revaluation reserve	20	18,655	93,279
Retained earnings	20	4,717,169	1,559,546
SHAREHOLDERS' FUNDS		<u><u>9,985,824</u></u>	<u><u>6,902,825</u></u>

The financial statements were approved by the director and authorised for issue on 1 June 2022 and were signed by:



C S Jundu - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	2,100,000	2,934,725	3,150,000	167,902	8,352,627
Changes in equity					
Total comprehensive income	-	(1,375,179)	-	(74,623)	(1,449,802)
Balance at 31 December 2020	<u>2,100,000</u>	<u>1,559,546</u>	<u>3,150,000</u>	<u>93,279</u>	<u>6,902,825</u>
Changes in equity					
Total comprehensive income	-	3,157,623	-	(74,624)	3,082,999
Balance at 31 December 2021	<u><u>2,100,000</u></u>	<u><u>4,717,169</u></u>	<u><u>3,150,000</u></u>	<u><u>18,655</u></u>	<u><u>9,985,824</u></u>

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	3,083,884	4,846,894
Interest paid		(110,511)	(9,809)
Interest element of finance lease payments paid		(13,018)	(7,708)
Finance costs paid		(498,679)	(373,338)
Net cash from operating activities		<u>2,461,676</u>	<u>4,456,039</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,231,136)	(5,321,768)
Sale of tangible fixed assets		28,333	8,154
Interest received		91	10
Net cash from investing activities		<u>(1,202,712)</u>	<u>(5,313,604)</u>
Cash flows from financing activities			
Bank loan		(310,612)	2,475,492
Repayment of/new finance leases		313,525	(470,868)
Net cash from financing activities		<u>2,913</u>	<u>2,004,624</u>
Increase in cash and cash equivalents		<u>1,261,877</u>	<u>1,147,059</u>
Cash and cash equivalents at beginning of year	2	<u>1,312,020</u>	<u>164,961</u>
Cash and cash equivalents at end of year	2	<u><u>2,573,897</u></u>	<u><u>1,312,020</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2021**

1. RECONCILIATION OF PROFIT/(LOSS) FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit/(loss) for the financial year	3,082,999	(1,449,802)
Depreciation charges	1,141,190	719,126
Loss on disposal of fixed assets	451,392	1,210,314
Finance costs	622,208	390,855
Finance income	(91)	(10)
Taxation	945,481	(244,192)
	<u>6,243,179</u>	<u>626,291</u>
(Increase)/decrease in stocks	(414,720)	460,641
Increase in trade and other debtors	(3,955,728)	(2,627,823)
Increase in trade and other creditors	1,211,153	6,387,785
	<u>1,211,153</u>	<u>6,387,785</u>
Cash generated from operations	<u><u>3,083,884</u></u>	<u><u>4,846,894</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>2,573,897</u>	<u>1,312,020</u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	1,312,020	532,128
Bank overdrafts	-	(367,167)
	<u>1,312,020</u>	<u>164,961</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2021**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	1,312,020	1,261,877	2,573,897
	<u>1,312,020</u>	<u>1,261,877</u>	<u>2,573,897</u>
Debt			
Finance leases	(699,060)	(313,525)	(1,012,585)
Debts falling due within 1 year	(310,612)	(22,535)	(333,147)
Debts falling due after 1 year	(2,164,880)	333,147	(1,831,733)
	<u>(3,174,552)</u>	<u>(2,913)</u>	<u>(3,177,465)</u>
Total	<u>(1,862,532)</u>	<u>1,258,964</u>	<u>(603,568)</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of plant and machinery and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Impairment of non-current assets. The company assesses the impairment of property, plant and equipment subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

Significant underperformance relative to historical or projected future operating results;
Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
Significant negative industry or economic trends.

The following are the company's key sources of estimation uncertainty:

Carrying value of stocks. Management review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provisions for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

Recoverability of trade debtors. Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

Depreciation and residual values. The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

The useful lives and residual value of assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological advances, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

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.

Revenue from sales of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer.

Intangible assets

Internally generated intangible assets are initially measured and stated at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The internally generated development costs are being amortised evenly over the useful life of six years.

Tangible fixed assets

Tangible fixed assets under the cost model or at valuation are stated at historical cost or valuation less accumulated depreciation and any accumulated impairment loss. Historical cost includes expenditure that is directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined by the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery - 6.66 - 20 years
Motor Vehicles - 25% reducing balance
Fixtures and fittings - 15% reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Stocks

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow has been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows. The impairment loss is recognised in the profit and loss.

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 future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are receivable or payable within one year, typically trade receivables or payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangement of a short-term instrument constitutes a financing transaction, like the payment of 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 present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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 future taxable profits.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date

Foreign currencies

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss account within 'other operating income'.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate. The assets of the scheme are held separately from the Company in an independently administered fund.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES - continued**Finance costs**

Finance costs are charged to the Profit and Loss account 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.

Debtors

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

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.

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 cash with insignificant risk of change in value.

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

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 Profit and Loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on the Balance sheet.

2. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	42,424,801	20,316,669
Europe	562,473	202,143
	<u>42,987,274</u>	<u>20,518,812</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,728,870	1,989,141
Social security costs	263,569	189,502
Other pension costs	102,009	89,937
	<u>3,094,448</u>	<u>2,268,580</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	1	2
Factory operatives	70	51
Administration staff	17	12
	<u>88</u>	<u>65</u>

	2021	2020
	£	£
Directors' remuneration	71,603	110,712
Directors' pension contributions to money purchase schemes	<u>25,410</u>	<u>26,328</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	272,963	208,310
Depreciation - owned assets	681,457	511,217
Depreciation - assets on finance leases	336,133	207,909
Development costs amortisation	123,600	-
Auditors' remuneration	15,000	12,000
Foreign exchange differences	(368,875)	48,915
Defined contribution pension costs	102,009	89,937
Equipment and commercial vehicle leasing	214,905	152,700
Stocks recognised as an expense	<u>27,912,050</u>	<u>13,224,212</u>

5. EXCEPTIONAL ITEMS

	2021	2020
	£	£
Loss on sale of fixed assets	<u>(451,392)</u>	<u>(1,210,314)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	110,511	9,809
Hire purchase	13,018	7,708
Other finance costs	498,679	373,338
	<u>622,208</u>	<u>390,855</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	19,452	-
Deferred tax	926,029	(244,192)
Tax on profit/(loss)	<u>945,481</u>	<u>(244,192)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit/(loss) before tax	<u>4,028,480</u>	<u>(1,693,994)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	765,411	(321,859)
Effects of:		
Expenses not deductible for tax purposes	(110,911)	55,430
Capital allowances in excess of depreciation	(196,522)	(82,387)
Utilisation of tax losses	(438,526)	22,237
Deferred tax	926,029	(244,192)
Tax losses carry forward	-	326,579
Total tax charge/(credit)	<u>945,481</u>	<u>(244,192)</u>

As at 31 December 2021, the company had trading tax losses carried forward in the region of £- (2020 : £2,308,000).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2021 and 31 December 2021	<u>741,598</u>
AMORTISATION	
Amortisation for year	<u>123,600</u>
At 31 December 2021	<u>123,600</u>
NET BOOK VALUE	
At 31 December 2021	<u>617,998</u>
At 31 December 2020	<u>741,598</u>

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2021	12,371,414	211,727	501,666	13,084,807
Additions	361,106	2,080	867,950	1,231,136
Disposals	(685,911)	-	(65,819)	(751,730)
At 31 December 2021	<u>12,046,609</u>	<u>213,807</u>	<u>1,303,797</u>	<u>13,564,213</u>
DEPRECIATION				
At 1 January 2021	1,874,986	127,730	392,476	2,395,192
Charge for year	819,027	26,373	172,190	1,017,590
Eliminated on disposal	(214,128)	-	(57,877)	(272,005)
At 31 December 2021	<u>2,479,885</u>	<u>154,103</u>	<u>506,789</u>	<u>3,140,777</u>
NET BOOK VALUE				
At 31 December 2021	<u>9,566,724</u>	<u>59,704</u>	<u>797,008</u>	<u>10,423,436</u>
At 31 December 2020	<u>10,496,428</u>	<u>83,997</u>	<u>109,190</u>	<u>10,689,615</u>

If plant and machinery was stated on a historical cost basis rather than a fair value basis, the total amounts included would have been as follows : cost £12,002,699 (2020: £12,327,505) , accumulated depreciation £2,437,195 (2020: £1,837,176) and carrying value £9,565,504 (2020: £10,490,329). Plant and machinery was valued by Tallon & Associates Limited, at its open market value for existing use on 17th June 2014.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2021	2,395,451	187,091	2,582,542
Additions	-	827,200	827,200
Transfer to ownership	(347,000)	(92,230)	(439,230)
At 31 December 2021	<u>2,048,451</u>	<u>922,061</u>	<u>2,970,512</u>
DEPRECIATION			
At 1 January 2021	544,781	76,969	621,750
Charge for year	169,539	166,594	336,133
Transfer to ownership	(117,626)	(84,601)	(202,227)
At 31 December 2021	<u>596,694</u>	<u>158,962</u>	<u>755,656</u>
NET BOOK VALUE			
At 31 December 2021	<u>1,451,757</u>	<u>763,099</u>	<u>2,214,856</u>
At 31 December 2020	<u>1,850,670</u>	<u>110,122</u>	<u>1,960,792</u>

10. STOCKS

	2021 £	2020 £
Raw materials	<u>4,814,905</u>	<u>4,400,185</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	11,628,342	7,530,767
Other debtors	-	125,000
Prepayments	189,016	205,863
	<u>11,817,358</u>	<u>7,861,630</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 14)	333,147	310,612
Finance leases (see note 15)	465,140	267,459
Trade creditors	5,733,937	4,092,712
Amounts owed to group undertakings	-	27,536
Corporation tax	19,452	-
Social security and other taxes	1,033,939	691,889
Other creditors	567,945	571,845
Accruals and deferred income	132,635	108,019
	<u>8,286,195</u>	<u>6,070,072</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 14)	1,831,733	2,164,880
Finance leases (see note 15)	547,445	431,601
Amounts owed to group undertakings	205,656	351,488
Other creditors	8,052,017	8,671,487
	<u>10,636,851</u>	<u>11,619,456</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>333,147</u>	<u>310,612</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,487,710</u>	<u>1,424,206</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>344,023</u>	<u>740,674</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	465,140	267,459
Between one and five years	547,445	431,601
	<u>1,012,585</u>	<u>699,060</u>

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	520,934	382,565
Between one and five years	140,075	301,080
	<u>661,009</u>	<u>683,645</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	2,164,880	2,475,492
Finance leases	1,012,585	699,060
	<u>3,177,465</u>	<u>3,174,552</u>

Net obligations under finance leases and hire purchase contracts are secured on the asset to which they relate.

The bank loan has a fixed interest rate of 4.37% per annum, is for a term of seven years commencing in October 2020 and is secured by way of a debenture and a chattel mortgage with respect to certain plant and machinery in favour of Barclays Bank plc. The company has given a cross guarantee in favour of Barclays Bank plc in respect of Onboard Investments Limited, a member company of Klingele Onboard (Holdings) Limited, a company incorporated and registered in England and Wales with company number 11823960.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	2,573,897	1,312,020
Financial assets that are debt instruments measured at amortised cost	<u>11,628,342</u>	<u>7,655,767</u>
	<u>14,202,239</u>	<u>8,967,787</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(17,661,835)</u>	<u>(16,815,075)</u>

18. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	<u>1,338,724</u>	<u>412,695</u>
		Deferred tax
		£
Balance at 1 January 2021		412,695
Accelerated capital allowances		<u>926,029</u>
Balance at 31 December 2021		<u>1,338,724</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
2,100,000	Ordinary Shares	£1	<u>2,100,000</u>	<u>2,100,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

20. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2021	1,559,546	3,150,000	93,279	4,802,825
Profit for the year	3,082,999			3,082,999
Transfer	74,624	-	(74,624)	-
At 31 December 2021	<u>4,717,169</u>	<u>3,150,000</u>	<u>18,655</u>	<u>7,885,824</u>

Revaluation reserve

The revaluation reserve includes all surpluses on assets revalued in prior years less amounts transferred to the profit and loss account reserve each year in respect of excess depreciation charges on those assets.

Profit and loss account

The profit and loss account reserve includes all current and prior period retained profits and losses, plus amounts transferred from the revaluation reserve each year in respect of excess depreciation charges on revalued assets.

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £102,009 (2020 : £89,937). The amount outstanding at the balance sheet date was £10,258 (2020 : £8,664).

22. RELATED PARTY DISCLOSURES

At 31 December 2021 the amount due to C S Jundu was £1,010,000 (2020: £1,011,567) and interest at 1% amounting to £10,000 (2020 : £10,000) was charged to the company. The amount due to Mrs C K Jundu (who is the wife of C S Jundu) is £492,760 (2020 : £497,301) and interest at 6% amounting to £30,000 (2020: £21,910) was charged to the company.

As at 31 December 2021 the amount due to an entity that has joint control of the parent company is £7,042,017 (2020 : £7,659,920) and interest at 1% and 6% amounting to £377,692 (2020: £275,359) was charged to the company. The amount due to this entity is included within other creditors falling due after more than one year.

During the year ended 31 December 2021 the company made purchases of goods amounting to £7,965,335 (2020: £3,378,454) from entities and the amount due to these entities is £1,150,123 (2020: £530,901) which is included in trade creditors. These entities are associated with the entity that has joint control of the parent company.

23. CONTROLLING PARTY

The company is a wholly owned subsidiary of Klingele Onboard (Holdings) Limited, a company incorporated and registered in England and Wales with company registration number 11823960.

24. KEY MANAGEMENT PERSONNEL COMPENSATION

The amount for the year was £97,013 (2020 : £137,040).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

25. STATUTORY INFORMATION

Onboard Corrugated Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.