

**STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 MAY 2023**

Company Registration No. 11913686 (England and Wales)

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J Edge Mrs M Edge Mr P Edge
<b>Secretary</b>	Mrs M Edge
<b>Company number</b>	11913686
<b>Registered office</b>	Morley Carr Road Low Moor Bradford BD12 0RA
<b>Auditor</b>	Azets Audit Services Carlton House Grammar School Street Bradford BD1 4NS
<b>Business address</b>	Morley Carr Road Low Moor Bradford BD12 0RA

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# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

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# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 MAY 2023**

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The directors present the strategic report for the year ended 30 May 2023.

### **Fair review of the business**

The directors aim to present a balanced and comprehensive review of the development and performance of our business during the year and the position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The directors are pleased with the performance of the company throughout the year and consider it to be well placed to take advantage of opportunities and potential new markets going forward.

The effects of global inflation and the energy crisis were felt during this financial year as it pushed our raw material and running costs ever higher and we struggled with costs rising faster than we could pass on at times. Towards the end of the year prices had started to stabilise meaning we had more certainty over costs and as such pricing meaning we could be more aggressive with our sales and material planning.

The company has been successful in continuing to develop new products into its product range whilst continuing to refine its manufacturing processes and expand its service offering; as a result both sales and margin are improving as a result. The issues with the labour market has been challenging with wages rising and quality staff have been a challenge to find and retain. This is not something that is just experienced in the manufacturing sector but across most sectors. The company has continued to invest in new plant and machinery during the year.

The company's financial assets and liabilities consist of trade debtors and creditors, cash balances, bank loans and finance leases.

The directors manage the company's exposure to financial risk by researching the credit worthiness of customers and insuring debts as well as by seeking advice from the company's providers of finance and it's other external financial advisers.

### **Principal risks and uncertainties**

The directors are confident that they have put sufficient measures in place to address the risk associated with supply chain demands as materials are constantly being sourced from new avenues and new technology constantly being reviewed to drive further efficiency savings.

However, as we move into 2023/24 many of the economic and socio-political issues that affected the past year are still of concern. The effects of numerous unsettling economic events and high interest rates continues to affect the whole economy; but so far activity level remains high.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 MAY 2023**

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### **Key performance indicators**

The directors consider the main financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, operating profit margin and return of capital employed.

Turnover achieved in the year was £24,790,665 (2022 - £21,300,478) and overall operating profit was £1,833,486 (7.4%) (2022 - £1,448,873 (6.8%)). Profit before tax was £1,483,005 (2022 - £1,268,883).

Return on capital employed has increased to 30.4% from 24.9%. calculated as net profit divided by capital employed.

The directors are satisfied with these ratios and the company's performance during the year on ordinary activities.

On behalf of the board

Mr J Edge

**Director**

28 November 2023

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 MAY 2023***

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The directors present their annual report and financial statements for the year ended 30 May 2023.

### **Principal activities**

The principal activity of the company and group continued to be that of the manufacture of polystyrene packaging and insulation products.

### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,261,000. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Edge

Mr M Edge

(Resigned 15 March 2023)

Mrs M Edge

Mr P Edge

### **Auditor**

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Naylor Wintersgill Limited, on 1 May 2023. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr J Edge

**Director**

28 November 2023

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 MAY 2023***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

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#### Opinion

We have audited the financial statements of Styrene Packaging & Insulation (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 May 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 30 May 2023 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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.

#### Emphasis of matter

We draw your attention to the events after the reporting date note (Note 24) which details an appeal against an assessment raised by HMRC. Our opinion is not modified in respect of this matter.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.



# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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

**Victoria Wainwright (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

28 November 2023

**Chartered Accountants**  
**Statutory Auditor**

Carlton House  
Grammar School Street  
Bradford  
BD1 4NS

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 MAY 2023**

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	24,790,665	21,300,478
Cost of sales		(20,244,899)	(17,942,951)
<b>Gross profit</b>		4,545,766	3,357,527
Administrative expenses		(2,714,830)	(1,940,924)
Other operating income		2,550	32,270
<b>Operating profit</b>	<b>4</b>	1,833,486	1,448,873
Interest payable and similar expenses	<b>7</b>	(350,481)	(180,040)
<b>Profit before taxation</b>		1,483,005	1,268,833
Tax on profit	<b>8</b>	(158,629)	(203,504)
<b>Profit for the financial year</b>		1,324,376	1,065,329

Profit for the financial year is all attributable to the owners of the parent company.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 MAY 2023*

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	2023 £	2022 £
Profit for the year	1,324,376	1,065,329
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,324,376</u>	<u>1,065,329</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 30 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		8,948,577		9,321,297
<b>Current assets</b>					
Stocks	14	930,101		1,445,393	
Debtors	15	6,578,391		5,805,572	
Cash at bank and in hand		103,601		271,623	
		<u>7,612,093</u>		<u>7,522,588</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(8,701,020)</u>		<u>(8,618,193)</u>	
<b>Net current liabilities</b>			<u>(1,088,927)</u>		<u>(1,095,605)</u>
<b>Total assets less current liabilities</b>			7,859,650		8,225,692
<b>Creditors: amounts falling due after more than one year</b>	17		(2,341,111)		(2,736,717)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	1,167,606		1,201,418	
		<u>(1,167,606)</u>		<u>(1,201,418)</u>	
<b>Net assets</b>			<u>4,350,933</u>		<u>4,287,557</u>
<b>Capital and reserves</b>					
Called up share capital	22		29,402		29,402
Revaluation reserve			723,571		723,571
Profit and loss reserves			3,597,960		3,534,584
<b>Total equity</b>			<u>4,350,933</u>		<u>4,287,557</u>

The financial statements were approved by the board of directors and authorised for issue on 28 November 2023 and are signed on its behalf by:

Mr J Edge  
Director

Company registration number 11913686 (England and Wales)

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## COMPANY BALANCE SHEET

AS AT 30 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	11		29,402		29,402
			=====		=====
<b>Capital and reserves</b>					
Called up share capital	22		29,402		29,402
			=====		=====

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,261,000 (2022 - £1,659,500 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 November 2023 and are signed on its behalf by:

Mr J Edge  
**Director**

Company registration number 11913686 (England and Wales)

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **GROUP STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 MAY 2023**

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 June 2021</b>		29,402	723,571	4,128,755	4,881,728
<b>Year ended 30 May 2022:</b>					
Profit and total comprehensive income for the year		-	-	1,065,329	1,065,329
Dividends	9	-	-	(1,659,500)	(1,659,500)
<b>Balance at 30 May 2022</b>		29,402	723,571	3,534,584	4,287,557
<b>Year ended 30 May 2023:</b>					
Profit and total comprehensive income for the year		-	-	1,324,376	1,324,376
Dividends	9	-	-	(1,261,000)	(1,261,000)
<b>Balance at 30 May 2023</b>		29,402	723,571	3,597,960	4,350,933

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 MAY 2023**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 June 2021</b>		29,402	-	29,402
<b>Year ended 30 May 2022:</b>				
Profit and total comprehensive income for the year		-	1,659,500	1,659,500
Dividends	9	-	(1,659,500)	(1,659,500)
<b>Balance at 30 May 2022</b>		29,402	-	29,402
<b>Year ended 30 May 2023:</b>				
Profit and total comprehensive income		-	1,261,000	1,261,000
Dividends	9	-	(1,261,000)	(1,261,000)
<b>Balance at 30 May 2023</b>		29,402	-	29,402



# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **GROUP STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 MAY 2023**

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,693,371		615,559	
Interest paid		(350,481)		(180,040)	
Income taxes paid		(170,698)		(132,630)	
<b>Net cash inflow from operating activities</b>		<b>2,172,192</b>		<b>302,889</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(304,786)		(132,738)	
Proceeds from disposal of tangible fixed assets		12,000		-	
Repayment of loans		(364,777)		(59,820)	
<b>Net cash used in investing activities</b>		<b>(657,563)</b>		<b>(192,558)</b>	
<b>Financing activities</b>					
Repayment of borrowings		96,373		1,911,550	
Repayment of bank loans		(422,219)		(408,515)	
Payment of finance leases obligations		(95,805)		(212,165)	
Dividends paid to equity shareholders		(1,261,000)		(1,659,500)	
<b>Net cash used in financing activities</b>		<b>(1,682,651)</b>		<b>(368,630)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(168,022)</b>		<b>(258,299)</b>	
Cash and cash equivalents at beginning of year		271,623		529,922	
<b>Cash and cash equivalents at end of year</b>		<b>103,601</b>		<b>271,623</b>	

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 MAY 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
<b>Investing activities</b>					
Dividends received		1,261,000		1,659,500	
<b>Net cash generated from investing activities</b>			1,261,000		1,659,500
<b>Financing activities</b>					
Dividends paid to equity shareholders		(1,261,000)		(1,659,500)	
<b>Net cash used in financing activities</b>			(1,261,000)		(1,659,500)
<b>Net increase in cash and cash equivalents</b>			-		-
Cash and cash equivalents at beginning of year			-		-
<b>Cash and cash equivalents at end of year</b>			-		-

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MAY 2023

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### 1 Accounting policies

#### Company information

Styrene Packaging & Insulation (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Morley Carr Road, Low Moor, Bradford, BD12 0RA.

The group consists of Styrene Packaging & Insulation (Holdings) Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated group financial statements consist of the financial statements of the parent company Styrene Packaging & Insulation (Holdings) Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 May 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Taking into consideration the issue disclosed in the events after the reporting date note (Note 24). The Directors still consider the company to be a going concern and the financial statements correctly prepared on this basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods). the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 100 years
Plant and machinery	10% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	10% - 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 flows have 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 discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Polystyrene packaging and insulation	24,790,665	21,300,478
	<u>24,790,665</u>	<u>21,300,478</u>
	2023 £	2022 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	24,790,665	21,300,478
	<u>24,790,665</u>	<u>21,300,478</u>
	2023 £	2022 £
<b>Other revenue</b>		
Grants received	2,550	32,270
	<u>2,550</u>	<u>32,270</u>

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(2,550)	(32,270)
Depreciation of owned tangible fixed assets	564,039	593,971
Depreciation of tangible fixed assets held under finance leases	84,602	83,537
Loss on disposal of tangible fixed assets	16,865	-
Operating lease charges	16,095	16,095
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,000	2,000
Audit of the financial statements of the company's subsidiaries	15,000	21,226
	<u>          </u>	<u>          </u>
	17,000	23,226
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Administration	29	19	-	-
Production	87	88	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	116	107	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	3,308,890	2,716,545	-	-
Social security costs	310,010	246,688	-	-
Pension costs	85,050	78,273	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,703,950	3,041,506	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 MAY 2023**

### **7 Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	123,962	72,476
Interest on invoice finance arrangements	207,916	82,282
	<u>331,878</u>	<u>154,758</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	14,447	16,493
Other interest	4,156	8,789
	<u>350,481</u>	<u>180,040</u>

### **8 Taxation**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	192,398	118,858
Adjustments in respect of prior periods	154	(158,959)
Benefit arising from a previously unrecognised tax loss or credit	(111)	-
	<u>192,441</u>	<u>(40,101)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(33,812)	(45,245)
Changes in tax rates	-	288,850
	<u>(33,812)</u>	<u>243,605</u>
<b>Total tax charge</b>	<u>158,629</u>	<u>203,504</u>

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	1,483,005	1,268,833
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	281,771	241,078
Tax effect of expenses that are not deductible in determining taxable profit	7,966	1,568
Adjustments in respect of prior years	154	(158,959)
Effect of change in corporation tax rate	9,495	-
Permanent capital allowances in excess of depreciation	(96,409)	(91,137)
Depreciation on assets not qualifying for tax allowances	126,446	128,726
Research and development tax credit	(136,982)	(161,377)
Deferred tax	(33,812)	243,605
Taxation charge	158,629	203,504

### 9 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Interim paid	1,261,000	1,659,500

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 MAY 2023**

### **10 Tangible fixed assets**

Group	Freehold land and buildings	Plant and fixtures, fittings machinery and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 31 May 2022	4,395,000	9,857,898	406,899	16,949,607
Additions	-	155,472	2,176	304,786
Disposals	-	-	(70,500)	(70,500)
At 30 May 2023	4,395,000	10,013,370	409,075	17,183,893
<b>Depreciation and impairment</b>				
At 31 May 2022	-	6,157,010	302,486	7,628,310
Depreciation charged in the year	43,950	417,860	35,510	648,641
Eliminated in respect of disposals	-	-	(41,635)	(41,635)
At 30 May 2023	43,950	6,574,870	337,996	8,235,316
<b>Carrying amount</b>				
At 30 May 2023	4,351,050	3,438,500	71,079	8,948,577
At 30 May 2022	4,395,000	3,700,888	104,413	9,321,297

The company had no tangible fixed assets at 30 May 2023 or 30 May 2022.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Plant and machinery	535,017	594,564	-	-
Motor vehicles	181,677	59,695	-	-
	716,694	654,259	-	-

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 10 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £4.4m were revalued on 4 October 2022 by Knight Frank LLP, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Cost	3,838,304	3,838,304	-	-
Accumulated depreciation	(166,876)	(140,993)	-	-
Carrying value	3,671,428	3,697,311	-	-

### 11 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	12	-	-	29,402	29,402

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 31 May 2022 and 30 May 2023 29,402

#### Carrying amount

At 30 May 2023 29,402

At 30 May 2022 29,402

### 12 Subsidiaries

Details of the company's subsidiaries at 30 May 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Styrene Packaging & Insulation Limited	Morley Carr Road, Low Moor, Bradford, BD12 0RA	Ordinary	100.00

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 MAY 2023**

### **13 Financial instruments**

	<b>Group</b>	<b>2022</b>	<b>Company</b>	<b>2022</b>
	<b>2023</b>		<b>2023</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	6,100,677	5,445,371	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	10,388,197	10,801,481	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### **14 Stocks**

	<b>Group</b>	<b>2022</b>	<b>Company</b>	<b>2022</b>
	<b>2023</b>		<b>2023</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	427,995	631,847	-	-
Work in progress	145,182	240,089	-	-
Finished goods and goods for resale	356,924	573,457	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	930,101	1,445,393	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### **15 Debtors**

	<b>Group</b>	<b>2022</b>	<b>Company</b>	<b>2022</b>
	<b>2023</b>		<b>2023</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	5,226,911	4,936,382	-	-
Corporation tax recoverable	292,806	169,694	-	-
Other debtors	873,766	508,989	-	-
Prepayments and accrued income	184,908	190,507	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	6,578,391	5,805,572	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### **16 Creditors: amounts falling due within one year**

		<b>Group</b>	<b>2022</b>	<b>Company</b>	<b>2022</b>
		<b>2023</b>		<b>2023</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>18</b>	454,586	432,657	-	-
Obligations under finance leases	<b>19</b>	69,738	214,085	-	-
Other borrowings	<b>18</b>	3,943,863	3,847,490	-	-
Trade creditors		3,238,258	3,335,349	-	-
Corporation tax payable		422,137	277,282	-	-
Other taxation and social security		231,797	276,147	-	-
Other creditors		42,239	101,694	-	-
Accruals and deferred income		298,402	133,489	-	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
		8,701,020	8,618,193	-	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	18	2,245,995	2,690,143	-	-
Obligations under finance leases	19	95,116	46,574	-	-
		<u>2,341,111</u>	<u>2,736,717</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	880,438	1,139,373	-	-
	<u>880,438</u>	<u>1,139,373</u>	<u>-</u>	<u>-</u>

### 18 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	2,700,581	3,122,800	-	-
Other loans	3,943,863	3,847,490	-	-
	<u>6,644,444</u>	<u>6,970,290</u>	<u>-</u>	<u>-</u>
Payable within one year	4,398,449	4,280,147	-	-
Payable after one year	2,245,995	2,690,143	-	-
	<u>2,245,995</u>	<u>2,690,143</u>	<u>-</u>	<u>-</u>

The long-term bank loan is broken down between a mortgage and a Coronavirus Business Interruption Loan Scheme (CBILS), these long-term bank loans are secured by fixed charges over the assets of the company..

The other loan is an invoice discounting facility and is secured against the debtors to which it relates.

The long-term bank mortgage bears the interest rate 1.5% over base and is repayable within 15 years.

The Coronavirus Business Interruption Loan Scheme (CBILS) bears the interest rate 3% over base and is repayable within 5 years. The first 12 months of the loan is interest free and repayment holiday of 6 months. The first repayment on the loan is to be paid in August 2021.



# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 19 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	97,009	223,399	-	-
In two to five years	91,748	52,830	-	-
	<u>188,757</u>	<u>276,229</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(23,903)	(15,570)	-	-
	<u>164,854</u>	<u>260,659</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
<b>Group</b>		
Accelerated capital allowances	1,169,732	1,203,544
Tax losses	(2,126)	(2,126)
	<u>1,167,606</u>	<u>1,201,418</u>

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
<b>Movements in the year:</b>		
Liability at 31 May 2022	1,201,418	-
Credit to profit or loss	(33,812)	-
	<u>1,167,606</u>	<u>-</u>

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 21 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	85,050	78,273

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 22 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 50p each	55,104	55,104	27,552	27,552
A Ordinary shares of 50p each	200	200	100	100
B Ordinary shares of 50p each	160	160	80	80
C Ordinary shares of 50p each	200	200	100	100
D Ordinary shares of 50p each	200	200	100	100
E Ordinary shares of 50p each	2,940	2,940	1,470	1,470
	58,804	58,804	29,402	29,402

### 23 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Within one year	77,219	16,078	-	-
Between two and five years	70,497	8,039	-	-
	147,716	24,117	-	-

### 24 Events after the reporting date

The company continues to dispute an assessment for taxation raised by HMRC. The directors do not believe the assessment is correct and consequently, with assistance from tax professionals, have registered the case to be heard at tribunal. The application has been accepted by HMRC. At this time, the value and timing of amounts which may become payable is unknown, therefore no provision has been made in the financial statements. Any amounts payable will need to be paid by the company, there is no possibility of any reimbursement.

# STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MAY 2023

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	240,083	39,466

### 26 Directors' transactions

Dividends totalling £1,261,000 (2022 - £1,609,500) were paid in the year in respect of shares held by the company's directors.

Loans have been granted by the directors to/(from) the group as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Mr P Edge - Directors loan account	3.00	57,609	284,000	762	(296,395)	45,976
Mrs M Edge - Directors loan account	-	48,020	300,000	-	(584,226)	(236,206)
Mr M Edge - Directors loan account	-	(453,463)	360,000	-	(423,835)	(517,298)
Mr J Edge - Directors loan account	-	(55,526)	360,000	-	(424,736)	(120,262)
		(403,360)	1,304,000	762	(1,729,192)	(827,790)

### 27 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	1,324,376	1,065,329
<b>Adjustments for:</b>		
Taxation charged	158,629	203,504
Finance costs	350,481	180,040
Loss on disposal of tangible fixed assets	16,865	-
Depreciation and impairment of tangible fixed assets	648,641	677,508
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	515,292	(235,397)
Increase in debtors	(284,930)	(1,421,946)
(Decrease)/increase in creditors	(35,983)	146,521
<b>Cash generated from operations</b>	<b>2,693,371</b>	<b>615,559</b>

# **STYRENE PACKAGING & INSULATION (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 MAY 2023**

### **28 Analysis of changes in net funds - company**

	31 May 2022 £	30 May 2023 £
Cash at bank and in hand	-	-
	<u>          </u>	<u>          </u>

### **29 Cash absorbed by operations - company**

	2023 £	2022 £
Profit for the year after tax	1,261,000	1,659,500
<b>Adjustments for:</b>		
Investment income	(1,261,000)	(1,659,500)
	<u>          </u>	<u>          </u>
<b>Cash absorbed by operations</b>	<u>          </u>	<u>          </u>

### **30 Analysis of changes in net debt - group**

	31 May 2022 £	Cash flows £	30 May 2023 £
Cash at bank and in hand	271,623	(168,022)	103,601
Borrowings excluding overdrafts	(6,970,290)	325,846	(6,644,444)
Obligations under finance leases	(260,659)	95,805	(164,854)
	<u>          </u>	<u>          </u>	<u>          </u>
	(6,959,326)	253,629	(6,705,697)
	<u>          </u>	<u>          </u>	<u>          </u>

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.