

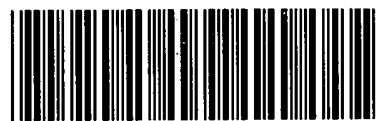
# Sharp Interpack Limited

Registered Number 4330088

## Directors' Report and Financial Statements

For the year ended 31 December 2015

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## **Company Information**

### **Directors**

B Guillin  
S Guillin-Frappier

### **Secretary**

F Guillin

### **Auditors**

KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG

### **Bankers**

HSBC Bank Plc  
69 Pall Mall  
London  
SW1Y 5EY

HSBC  
11 Place Gutenberg  
67000 Strasbourg  
France

Crédit Mutuel  
Banque de L'Economie  
3 Bis Avenue Elisee Cusenier  
BP 36085  
25013 Besancon Cedex  
France

BNP Paribas  
Corporate Group  
10 Harewood Avenue  
London

### **Registered Office and Trading Premises**

Office 10  
10-12 Baches Street  
London  
England  
N1 6DL

## Strategic Report

The director presents the Strategic report, Director's Report and Financial Statements of Sharp Interpack Limited for the year ended 31 December 2015.

The Strategic Report outlines business strategy and a review of the Company's financial performance during the financial year and its position at the year end. As the Company is a holding company, the principle risks and uncertainties are those faced by the Company's subsidiaries.

### Review of the business

The director and senior management are satisfied with the Company's financial position, with shareholders' funds totalling £38,253,000 (2014: £36,470,000). The Company is a holding company. It holds investments in a number of trading subsidiaries.

### Business Strategy

The Company's strategy is to maintain its investment in its subsidiaries who aim to maintain a sustainable, profitable business. The subsidiaries will achieve this by securing further long term contracts with both existing and new customers both within the subsidiaries' existing market and through expansion into new markets.

### Principal Risks and Uncertainties

As the Company is a holding company, set out below are the principle risks and uncertainties faced by its subsidiaries.

#### ▪ *Competitive*

The Company's subsidiaries have a number of multi-year contracts in place with key customers. Renewal of these contracts is uncertain and based on financial and performance criteria.

#### ▪ *Price*

The Company's subsidiaries are exposed to fluctuations in commodity prices, particularly for plastic resins. They manage this risk through maintaining a broad range of suppliers and the regular review of marketplace commodity prices and existing supply relationships and agreements.

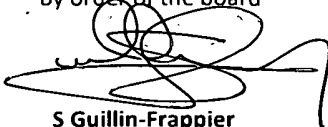
#### ▪ *Credit*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company's subsidiaries policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

#### ▪ *Currency*

The Company's subsidiaries trade in a number of geographic markets and are exposed to both Euro and Sterling currency risk. All foreign exchange risk is managed by the group treasury function in France.

By order of the board



**S Guillin-Frappier**  
Director

June 27<sup>th</sup>, 2016

Ebbark House, 1<sup>st</sup> Floor  
93-95 Borough High Street  
London  
SE1 1NL

## **Directors' Report**

The directors present their directors' report and financial statements of Sharp Interpack Limited for the year ended 31 December 2015.

### **Results and Dividends**

The profit for the year, after taxation, is £2,777,000 (2014: £1,111,000). The directors have recommended the payment of an ordinary dividend amounting to £1,704,000 (2014: £ 994,000).

### **Principal Activities**

Sharp Interpack Limited is a UK holding company and its principal activity is that of an investment holding company.

The principal activities of its subsidiary undertakings continue to be the design, manufacture and sale of rigid thermoformed plastic packaging for both food and non-food use in the UK, Ireland and Europe.

### **Review of the Business**

Sharp Interpack Limited was acquired on 9 April 2010 by Groupe Guillin. On 1 January 2011, its trade and assets were transferred to its four new subsidiaries: Sharpak Aylesham, Sharpak Bridgwater, Sharpak Yate and Guillin Nederland (previously known as Sharpak Nederland).

This was based on the need for improved financial performance at each site and to adopt the culture of Groupe Guillin, whereby the organisational structure encourages teams to be independent and have clearly defined goals.

Commencing in 2012, royalty fees were charged by the Company to all of its subsidiaries for the use of the Sharpak logo in addition to the recharges for patents and other trademarks.

### **Going Concern**

The Company's business activities, together with a review of its financial position and its exposure to principal risks and uncertainties are described here. As a consequence, the director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

### **Research and development**

£nil (2014: £nil) was spent on research and development during the year.

### **Principal Risks and Uncertainties**

The Company is exposed to the exchange rate movements between Euro and Sterling. All foreign exchange risk is managed by the group treasury function in France.

### **Political and charitable donations**

The Company made charitable and political donations of £nil during the year (2014: £nil).

## **Directors' Report (continued)**

### **Directors of the Company**

S Guillin-Frappier  
B Guillin

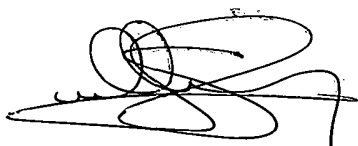
### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this Directors' Report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**S Guillin-Frappier**

Director

*June 27<sup>th</sup>, 2016*

Groupe Guillin  
Zone industrielle  
25290 Ornans

## **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



## **KPMG LLP**

100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

### **Independent Auditor's Report to the Members of Sharp Interpack Limited**

We have audited the financial statements of Sharp Interpack Limited for the year ended 31 December 2015 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditor's report to the members of Sharp Interpack Limited (*continued*)**

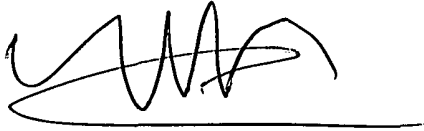
### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

### **Matters on which we are required to report by exception**

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;



**Harry Mears (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
100 Temple Street  
Bristol  
BS1 6AG



**Sharp Interpack Limited**  
Registered Number 4330088  
Directors' Report and Financial Statements  
For the year ended 31 December 2015

**Profit and Loss Account  
for the year ended 31 December 2015**

|                                                 |             | Year ended<br>31 December<br>2015 | Year ended<br>31 December<br>2014 |
|-------------------------------------------------|-------------|-----------------------------------|-----------------------------------|
|                                                 | <i>Note</i> | £000                              | £000                              |
| <b>Turnover</b>                                 | 2           | 1,841                             | 1,813                             |
| Cost of sales                                   |             | -                                 | -                                 |
| <b>Gross profit</b>                             |             | 1,841                             | 1,813                             |
| Administrative costs                            |             | 60                                | (338)                             |
| <b>Operating profit</b>                         | 3           | 1,901                             | 1,475                             |
| Interest payable                                | 6           | (131)                             | (117)                             |
| Interest receivable                             | 7           | 34                                | 31                                |
| Dividend income                                 | 8           | 1,338                             | 22                                |
| <b>Profit before tax on ordinary activities</b> |             | 3,142                             | 1,411                             |
| Tax on result on ordinary activities            | 9           | (365)                             | (300)                             |
| <b>Profit for the financial year</b>            | 17          | 2,777                             | 1,111                             |

There are no other gains or losses other than those disclosed above and as such a statement of total recognised gains and losses has not been presented.

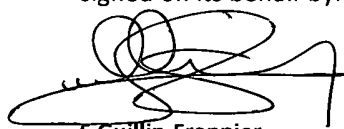
All results arose from continuing operations.

**Sharp Interpack Limited**  
Registered Number 4330088  
Directors' Report and Financial Statements  
For the year ended 31 December 2015

**Balance Sheet**  
**at 31 December 2015**

|                                                                | Note | 2015<br>£000         | 2014<br>£000         |
|----------------------------------------------------------------|------|----------------------|----------------------|
| <b>Fixed assets</b>                                            |      |                      |                      |
| Investments                                                    | 10   | <u>37,655</u>        | <u>37,655</u>        |
| <b>Current assets</b>                                          |      |                      |                      |
| Debtors                                                        | 11   | 11,337               | 8,660                |
| Cash at bank and in hand                                       | 12   | <u>40</u>            | <u>29</u>            |
|                                                                |      | 11,377               | 8,689                |
| <b>Creditors : amounts falling due within one year</b>         | 13   | <u>(5,408)</u>       | <u>(3,932)</u>       |
| <b>Net current assets</b>                                      |      | 5,969                | 4,757                |
| <b>Total assets less current liabilities</b>                   |      | 43,624               | 42,412               |
| <b>Creditors: amounts falling due after more than one year</b> |      |                      |                      |
| Loans and borrowings                                           | 14   | (5,371)              | (5,142)              |
| Provision for liabilities                                      | 16   | <u>-</u>             | <u>(800)</u>         |
| <b>Net assets</b>                                              |      | <u><u>38,253</u></u> | <u><u>36,470</u></u> |
| <b>Capital and reserves</b>                                    |      |                      |                      |
| Called up share capital                                        | 17   | 7,200                | 7,200                |
| Share premium account                                          | 18   | 17,000               | 17,000               |
| Capital contribution reserve                                   | 18   | 1,013                | 1,013                |
| Profit and loss account                                        | 18   | <u>13,040</u>        | <u>11,257</u>        |
| <b>Equity shareholders' funds</b>                              | 18   | <u><u>38,253</u></u> | <u><u>36,470</u></u> |

These financial statements were approved by the board of directors on *June 27<sup>th</sup>* 2016 and were signed on its behalf by:

  
**S Guillin-Frappier**  
Director

**Sharp Interpack Limited**  
Registered Number 4330088  
Directors' Report and Financial Statements  
For the year ended 31 December 2015

**Statement of changes in equity  
at 31 December 2015**

|                                                | <i>Note</i> | <b>Called up<br/>Share<br/>capital<br/>£000</b> | <b>Share<br/>premium</b> | <b>Capital<br/>contributi<br/>on</b> | <b>Profit and<br/>loss<br/>account<br/>£000</b> | <b>Total<br/>equity<br/>£000</b> |
|------------------------------------------------|-------------|-------------------------------------------------|--------------------------|--------------------------------------|-------------------------------------------------|----------------------------------|
| <b>Balance at 1 January 2014</b>               |             | <b>7,200</b>                                    | <b>17,000</b>            | <b>1,013</b>                         | <b>10,714</b>                                   | <b>35,927</b>                    |
| <b>Total comprehensive income for the year</b> |             |                                                 |                          |                                      |                                                 |                                  |
| Profit or loss                                 |             | -                                               | -                        | -                                    | 1,111                                           | 1,111                            |
| Total comprehensive income for the year        |             | -                                               | -                        | -                                    | -                                               | -                                |
| Dividends                                      |             | -                                               | -                        | -                                    | (568)                                           | (568)                            |
| <b>Balance at 31 December 2014</b>             |             | <b>7,200</b>                                    | <b>17,000</b>            | <b>1,013</b>                         | <b>11,257</b>                                   | <b>36,470</b>                    |
| <b>Total assets less current liabilities</b>   |             |                                                 |                          |                                      |                                                 |                                  |
| <b>Balance at 1 January 2015</b>               |             | <b>7,200</b>                                    | <b>17,000</b>            | <b>1,013</b>                         | <b>11,257</b>                                   | <b>36,470</b>                    |
| <b>Total comprehensive income for the year</b> |             |                                                 |                          |                                      |                                                 |                                  |
| Profit or loss                                 |             | -                                               | -                        | -                                    | 2,777                                           | 2,777                            |
| Total comprehensive income for the year        |             | -                                               | -                        | -                                    | -                                               | -                                |
| Dividends                                      |             | -                                               | -                        | -                                    | (994)                                           | (994)                            |
| <b>Balance at 31 December 2015</b>             |             | <b>7,200</b>                                    | <b>17,000</b>            | <b>1,013</b>                         | <b>13,040</b>                                   | <b>38,253</b>                    |

The notes on pages 11 – 22 form part of these financial statements.

## Notes to the Financial Statements

### 1. Accounting Policies

#### ***Basis of Preparation***

Sharpak Interpack Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Groupe Guillin includes the Company in its consolidated financial statements. The consolidated financial statements of Groupe Guillin are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Groupe Guillin, 25290, Ornans, France. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.
- Disclosure in respect of transactions with wholly owned subsidiaries

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

#### ***Going Concern***

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 4.

The financial statements have been prepared on the going concern basis. The Company has net current assets of £5,969,000 and a net asset position of £38,253,000. The directors consider that the Company's current financial position should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements of the Company

## **Notes (continued)**

### **1. Accounting policies (continued)**

The following accounting policies have been applied consistently in dealing with the items that are considered material in relation to the financial statements.

#### ***Investments in subsidiaries***

Investments in subsidiary undertakings are stated at cost.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### ***Research and development expenditure***

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

#### ***Provision***

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### ***Revenue Recognition***

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance.

#### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

#### ***Current taxation***

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**Notes (continued)**

**1 Accounting policies (continued)**

**Taxation (continued)**

**Deferred taxation**

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign Currencies**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**Basic financial instruments**

**Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **Basic financial instruments (continued)**

##### *Investments in preference and ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss

##### *Investments in subsidiaries, jointly controlled entities and associates*

These are the separate financial statements of the Company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

### **2. Turnover**

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

The Company's principal area of activity is that of an investment holding company. Sharp Interpack turnover is made of commissions paid by its subsidiaries to use the logo in the United Kingdom and from intellectual property fees to use UK and Community trade marks and designs.

The analysis by geographical market of the Company's turnover is set out below:

|                      | <b>2015</b>  | 2014  |
|----------------------|--------------|-------|
|                      | <b>£000</b>  | £000  |
| By geographic market |              |       |
| United Kingdom       | <b>1,688</b> | 1,648 |
| Other Europe         | <b>153</b>   | 165   |
|                      | <b>1,841</b> | 1,813 |

### **3. Operating profit**

Operating profit is stated after charging:

|                                                             | <b>2015</b> | 2014 |
|-------------------------------------------------------------|-------------|------|
|                                                             | <b>£000</b> | £000 |
| Auditor's remuneration- audit of these financial statements | <b>5</b>    | 5    |
| Foreign exchange loss                                       | <b>287</b>  | 5    |

**Notes (continued)**

**4. Staff costs and numbers**

There are only two (2014: two) administrative employees who are the directors. They are remunerated by the ultimate parent company, Groupe Guillin.

**5. Directors emoluments**

The directors' received £nil remuneration for services to the Company during the year (2014 : £nil).

**6. Interest payable**

|                                               | 2015<br>£000 | 2014<br>£000 |
|-----------------------------------------------|--------------|--------------|
| Net foreign exchange loss                     |              |              |
| Interest payable on overdrafts and bank loans | 119          | 109          |
| Group interest payable and similar charges    | 12           | 8            |
|                                               | <u>131</u>   | <u>117</u>   |

**7. Interest receivable**

|                                              | 2015<br>£000 | 2014<br>£000 |
|----------------------------------------------|--------------|--------------|
| Group interest receivable and similar income | 34           | 31           |
| Gains in exchange                            | -            | -            |
|                                              | <u>34</u>    | <u>31</u>    |

**8. Dividend income**

|                        | 2015<br>£000 | 2014<br>£000 |
|------------------------|--------------|--------------|
| From Guillin Nederland | 371          | 22           |
| From Aylesham          | 967          | -            |
|                        | <u>1,338</u> | <u>22</u>    |

**Notes (continued)**

**9. Taxation**

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

Analysis of charge in year

|                                            | <b>2015</b>       | 2014       |
|--------------------------------------------|-------------------|------------|
|                                            | <b>£000</b>       | £000       |
| <i>UK current tax</i>                      |                   |            |
| Current tax on income for the year         | <b>365</b>        | 299        |
| Prior year tax adjustment                  | <u>-</u>          | <u>1</u>   |
| Total current tax charge                   | <b>365</b>        | 300        |
| <i>Deferred tax</i>                        |                   |            |
| Origination/reversal of timing differences | <u>-</u>          | <u>-</u>   |
| Total tax                                  | <u><b>365</b></u> | <u>300</u> |

|                                          | <b>2015</b>        | <b>2015</b>         | <b>2015</b>       | 2014              | 2014         | 2014       |
|------------------------------------------|--------------------|---------------------|-------------------|-------------------|--------------|------------|
|                                          | <b>£</b>           | <b>£</b>            | <b>£</b>          | <b>£</b>          | <b>£</b>     | <b>£</b>   |
|                                          | <b>Current tax</b> | <b>Deferred tax</b> | <b>Total tax</b>  | Current tax       | Deferred tax | Total tax  |
| Recognised in Profit and loss account    | <b>365</b>         | -                   | <b>365</b>        | 300               | -            | 300        |
| Recognised in other comprehensive income | -                  | -                   | -                 | -                 | -            | -          |
| Recognised directly in equity            | -                  | -                   | -                 | -                 | -            | -          |
| Total tax                                | <u><b>365</b></u>  | <u>-</u>            | <u><b>365</b></u> | <u><b>300</b></u> | <u>-</u>     | <u>300</u> |

**Notes (continued)**

**9 Taxation (continued)**

**Reconciliation of effective tax rate**

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 21.5% (2014: 21.25%). The differences are explained below:

|                                             | <b>2015</b>  | <b>2014</b> |
|---------------------------------------------|--------------|-------------|
|                                             | <b>£000</b>  | <b>£000</b> |
| Profit on ordinary activities before tax    | <b>3,142</b> | 1,411       |
| Current tax at 21.5% (2014 : 21.25%)        | <b>636</b>   | 303         |
| <i>Effects of:</i>                          |              |             |
| Prior year tax adjustment                   | -            | 1           |
| Receipts not taxable (dividends)            | <b>(271)</b> | (4)         |
| Current tax charge for the year (see above) | <b>365</b>   | 300         |

The effective rate for 2015 is a weighed average of the applicable corporation tax rates during the year. The 21% rate was reduced to 20% from 1 April 2015. A further reduction to 19% will be effective from 1 April 2017 and will reduce the Company's future tax liabilities accordingly.

**10. Investments**

|                                  | <b>Shares in group<br/>undertakings<br/>£000</b> |
|----------------------------------|--------------------------------------------------|
| <b>Cost and net book value</b>   |                                                  |
| At the beginning and end of year | <b>37,655</b>                                    |

**Notes (continued)**

**10. Investments (continued)**

The Company has the following investments in subsidiaries;

|                    | Aggregate of<br>capital and<br>reserves | Profit or loss<br>for the year | Country of<br>incorporation | Class of<br>shares held | Ownership<br>2014 | Ownership<br>2015 |
|--------------------|-----------------------------------------|--------------------------------|-----------------------------|-------------------------|-------------------|-------------------|
|                    | £000                                    | £000                           |                             |                         | %                 | %                 |
| Sharpak Aylesham   | 12,705                                  | 2,669                          | UK                          | Ordinary                | 100               | 100               |
| Sharpak Bridgwater | 11,050                                  | (2,450)                        | UK                          | Ordinary                | 100               | 100               |
| Sharpak Yate       | 4,974                                   | 567                            | UK                          | Ordinary                | 100               | 100               |
| Guillin Nederland  | 1,046                                   | 484                            | NL                          | Ordinary                | 100               | 100               |

**11. Debtors**

|                                          | 2015<br>£000 | 2014<br>£000 |
|------------------------------------------|--------------|--------------|
| Other amounts owed by Group undertakings | 11,337       | 8,660        |

Amounts owed by group undertakings are repayable on demand and are non-interest bearing

**12. Cash and cash equivalents**

|                          | 2015<br>£000 | 2014<br>£000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | 40           | 29           |

**Notes (continued)**

**13. Creditors: amounts falling due within one year**

|                                       | <b>2015</b>  | 2014  |
|---------------------------------------|--------------|-------|
|                                       | <b>£000</b>  | £000  |
| Trade creditors                       | <b>12</b>    | 11    |
| Amounts owed to group undertakings    | <b>3,747</b> | 2,405 |
| Corporation tax                       | <b>174</b>   | 104   |
| Other taxes and social security costs | <b>104</b>   | 99    |
| Other creditors                       | <b>1</b>     | 2     |
| Loans and borrowings                  | <b>1,370</b> | 1,311 |
|                                       | <b>5,408</b> | 3,932 |

Amounts owed to group undertakings are trading balance repayable on demand and are non-interest bearing.

**14. Creditors: amounts falling due after one year**

|                      | <b>2015</b>  | 2014  |
|----------------------|--------------|-------|
|                      | <b>£000</b>  | £000  |
| Loans and borrowings | <b>5,371</b> | 5,141 |

**15. Interest-bearing loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised costs.

|                                                        | <b>2015</b>  | 2014  |
|--------------------------------------------------------|--------------|-------|
|                                                        | <b>£000</b>  | £000  |
| <b>Creditors falling due within less than one year</b> |              |       |
| Bank loans                                             | <b>1,370</b> | 1,311 |
|                                                        | <b>1,370</b> | 1,311 |
| <b>Creditors falling due in more than one year</b>     |              |       |
| Bank loans                                             | <b>5,371</b> | 5,141 |
|                                                        | <b>5,371</b> | 5,141 |

**Notes (continued)**

**15. Interest-bearing loans and borrowings (continued)**

In February 2011, the Company obtained a bank loan which is repayable in 10 semi-annual payments expiring in February 2016. Interest is due at 0.65 points above the prevailing 6-month GBP Libor rate. The loan is unsecured and has a covenant based on the consolidated results of the ultimate parent company, Groupe Guillin.

In March 2012, the Company obtained another bank loan which is repayable in 7 annual payments expiring in March 2019. Interest is due at 1.40 points above the prevailing 3-month GBP Libor rate. The loan is unsecured.

In March 2013, the Company obtained another bank loan which is repayable in 7 annual payments expiring in March 2020. Interest is due at 1.30 points above the prevailing 3-month GBP Libor rate. The loan is unsecured.

In March 2014, the Company obtained another bank loan which is repayable in 7 annual payments expiring in March 2021. Interest is due at 1.15 points above the prevailing 3-month GBP Libor rate. The loan is unsecured.

In March 2015, the Company obtained another bank loan which is repayable in 7 annual payments expiring in March 2022. Interest is due at 0.89 points above the prevailing 3-month GBP Libor rate. The loan is unsecured.

Included within bank loans are amounts repayable after five years by instalments of £816k (2014: £1,086)

**16. Provisions**

The movement in provisions for liabilities during the current year are as follows:

|                                                   | <b>Total</b> |
|---------------------------------------------------|--------------|
|                                                   | <b>£000</b>  |
| At 1 January 2015                                 | 800          |
| Used in current year                              | (400)        |
| Release of provision in provision in current year | (400)        |
| <b>At 31 December 2015</b>                        | <b>-</b>     |

The total of the other provision for liabilities represented the estimated cost of litigation with another UK company, this was resolved during the year.

**Notes (continued)**

**17. Share capital**

|                                                                                                                   | 2015         | 2014         |
|-------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                   | £000         | £000         |
| <b><i>Allotted, called up and fully paid</i></b>                                                                  |              |              |
| 7,100,002 (2012 : 7,100,002) ordinary shares of £1 each                                                           | 7,100        | 7,100        |
| 10,000,000 (2012 : 10,000,000) 10 % non-convertible non-cumulative non-redeemable preference shares of £0.01 each | 100          | 100          |
|                                                                                                                   | <u>7,200</u> | <u>7,200</u> |

The preference shares carry a discretionary dividend of £0.10 per share per annum.

The preference shares carry no voting rights, unless the dividend thereon is in arrears or there is consideration of a resolution varying, modifying, altering or abrogating any of the rights, privileges, limitations or restrictions attached to the preference shares, in which case the preference shares shall carry the same right to vote as the ordinary shares in respect of the matter in question.

On a winding up of the Company, the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, any arrear or accrual of the £0.10 dividend.

**18. Ultimate parent company**

The ultimate parent undertaking is Groupe Guillin, who are incorporated in France.

The largest and smallest group in which the results of the Company are consolidated is that headed by Groupe Guillin. No other group financial statements include the results of the Company. The consolidated financial statements of Groupe Guillin are available to the public and may be obtained from Groupe Guillin, 25290, Ornans, France.

**19. Accounting estimates and judgements**

***Key sources of estimation uncertainty***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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

***Impairment of debtors***

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

***Critical accounting judgements in applying the Company's accounting policies***

There are no such judgements in either the current or prior year.

**Notes** *(continued)*

**20. Explanation of transition to FRS102 from old UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 and have been applied in preparing the financial statements for the year ended December 2015 and the comparative information presented in these financial statements for the year ended December 2014.

In preparing its FRS 102 Statement of Financial Position, the Company has not made any changes to the comparative information presented in these financial statements for the year ended 31 December 2014 prepared under the United Kingdom Generally Accepted Accounting Practice as none have been required. Accordingly, no statement of transitional adjustments to FRS 102 is presented.