

COMPANY REGISTRATION NUMBER 01525421

A M PACKAGING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2012

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A M PACKAGING LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

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A M PACKAGING LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Mann P Mann A H Mann D Mann
Company secretary	P Mann
Registered office	Unit 3 Heaptham Road Gainsborough Lincolnshire DN21 1QU
Auditor	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds TSB Plc Market Street Gainsborough Lincolnshire DN21 2BL

A M PACKAGING LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

The directors have pleasure in presenting their report and the consolidated financial statements of the group for the period from 1 January 2011 to 31 March 2012

The group comprises A M Packaging Limited based in Gainsborough, England and AMP Rose Private Limited located in Bangalore, India

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year remained that of the manufacture, rebuilding and modification of processing and packaging machinery for the chocolate and confectionery industry

The principal activity of the group during the year remained that of the manufacture, rebuilding and modification of new and second hand processing and packaging machinery for the chocolate and confectionery industry.

The group's extensive client base ranges from large multi-nationals to smaller producers around the world. The range of new cut and wrap equipment continues to offer the best value for money on the world market and the Pakasnax machine for multi packs of crisps sets the standard for performance in its field.

Second hand, rebuilt equipment offers customers the option of buying high quality, reliable machinery at a significantly lower cost than new.

BUSINESS REVIEW

The accounting period for A M Packaging Limited was extended to March 2012 to bring the year end in line with AMP Rose Private Limited.

The period saw reduced demand with many customers under pressure to justify new investments before placing orders. This was particularly true in the UK and Europe.

Some Middle Eastern customers faced difficult trading conditions yet other markets saw encouraging increases with several orders placed by new customers.

Improvements in production methods and efficiencies in the UK factory continued during with a restructure of management and a change in working practices introduced. The company benefitted from the advice of the Manufacturing Advisory Service and investment in new production software is due to be implemented during 2012.

The Indian subsidiary continued to perform to expectations and is well placed to take advantage of the developing local market.

The directors monitor a number of key performance indicators in order to ensure that the group achieves its primary objectives of achieving sustained profitability whilst delivering a high standard of product to its customers.

A M PACKAGING LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

The key financial performance indicators used by the group are

	to March 2012 (15 months)	to December 2010 (12 months)
	£	£
Turnover	11,925,377	10,261,911
Gross Profit	4,242,735	3,248,410
Operating Profit	441,887	309,900

The directors are satisfied with the overall group performance and believe that the operational improvements in the business will leave it well placed to benefit from a recovery in global demand

PRINCIPLE RISKS AND UNCERTAINTIES

The directors recognise the need to continue to improve production methods and efficiencies in order to provide a high quality product, on time and at a competitive price

The increase in competition from machinery made in the Far East will be monitored but at present there is still a significant difference in quality and reliability.

Political uncertainty in some areas of the world may lead to a drop in demand from those countries. The directors understand the importance of developing new markets whilst continuing to service existing customers

EMPLOYEES

The number of group employees increased from 168 to 175 during the period.

The business is committed to a pro-active programme for involving employees with work related issues by regular communication. Employees are encouraged to provide suggestions for improving efficiency and performance

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £197,867. The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

A M PACKAGING LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

DIRECTORS

The directors who served the company during the period were as follows

A Mann
P Mann
A H Mann
D Mann

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period

In preparing those consolidated 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,
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group 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 enable them to ensure that the consolidated financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

A M PACKAGING LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

Registered office
Unit 3
Heapham Road
Gainsborough
Lincolnshire
DN21 1QU

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'P Mann', written over a horizontal line.

P MANN
Company Secretary

Approved by the directors on 14 November 2012

A M PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A M PACKAGING LIMITED

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

We have audited the group and parent company consolidated financial statements ("the consolidated financial statements") of A M Packaging Limited for the period from 1 January 2011 to 31 March 2012 which comprise the Group Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 4, the directors are responsible for the preparation of the consolidated 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 consolidated 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by ; and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON CONSOLIDATED FINANCIAL STATEMENTS

In our opinion the consolidated financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's profit for the period 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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the consolidated financial statements are prepared is consistent with the consolidated financial statements.

A M PACKAGING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A M PACKAGING LIMITED *(continued)*

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company consolidated 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



MARK BRADSHAW (Senior Statutory Auditor)

For and on behalf of
STREETS AUDIT LLP
Chartered Accountants
& Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

14 November 2012

A M PACKAGING LIMITED
GROUP PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

	Note	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
GROUP TURNOVER	2	11,925,377	10,261,911
Cost of sales		<u>7,682,642</u>	<u>7,013,501</u>
GROSS PROFIT		4,242,735	3,248,410
Selling costs		<u>406,227</u>	<u>437,420</u>
Administrative expenses		<u>3,394,621</u>	<u>2,501,090</u>
OPERATING PROFIT	3	441,887	309,900
Interest receivable	6	170	191
Interest payable and similar charges	7	(82,157)	(83,510)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		359,900	226,581
Tax on profit on ordinary activities	8	164,127	56,903
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		195,773	169,678
Minority interests		(2,094)	39,078
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	9	197,867	130,600
PROFIT FOR THE FINANCIAL PERIOD		<u>197,867</u>	<u>130,600</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the period as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 14 to 26 form part of these consolidated financial statements.

A M PACKAGING LIMITED

GROUP BALANCE SHEET

31 MARCH 2012

	Note	31 Mar 12 £	£	31 Dec 10 £	£
FIXED ASSETS					
Intangible assets	10		7,417		12,536
Tangible assets	11		<u>3,367,809</u>		<u>3,471,294</u>
			<u>3,375,226</u>		<u>3,483,830</u>
CURRENT ASSETS					
Stocks	13	2,269,229		2,411,412	
Debtors	14	2,518,385		2,188,592	
Cash at bank and in hand		<u>70,781</u>		<u>187,033</u>	
		<u>4,858,395</u>		<u>4,787,037</u>	
CREDITORS: Amounts falling due within one year	15	<u>3,322,318</u>		<u>3,236,121</u>	
NET CURRENT ASSETS			<u>1,536,077</u>		<u>1,550,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,911,303</u>		<u>5,034,746</u>
CREDITORS: Amounts falling due after more than one year	16		<u>1,162,755</u>		<u>1,388,651</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	17		<u>44,623</u>		<u>42,464</u>
			<u>3,703,925</u>		<u>3,603,631</u>
CAPITAL AND RESERVES					
Called-up equity share capital	19		4,000		4,000
Profit and loss account	20		<u>3,426,013</u>		<u>3,323,625</u>
SHAREHOLDERS' FUNDS	20		<u>3,430,013</u>		<u>3,327,625</u>
MINORITY INTERESTS			<u>273,912</u>		<u>276,006</u>
			<u>3,703,925</u>		<u>3,603,631</u>

These consolidated financial statements were approved by the directors and authorised for issue on 14 November 2012, and are signed on their behalf by


P MANN
Director

D MANN
Director



The notes on pages 14 to 26 form part of these consolidated financial statements.

A M PACKAGING LIMITED

BALANCE SHEET

31 MARCH 2012

	Note	31 Mar 12 £	£	31 Dec 10 £	£
FIXED ASSETS					
Tangible assets	11		2,776,183		2,828,498
Investments	12		109,661		109,661
			<u>2,885,844</u>		<u>2,938,159</u>
CURRENT ASSETS					
Stocks	13	2,104,338		2,293,637	
Debtors	14	2,144,422		1,738,439	
Cash at bank and in hand		29,170		132,783	
		<u>4,277,930</u>		<u>4,164,859</u>	
CREDITORS: Amounts falling due within one year	15	<u>2,762,998</u>		<u>2,710,112</u>	
NET CURRENT ASSETS			<u>1,514,932</u>		<u>1,454,747</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,400,776</u>		<u>4,392,906</u>
CREDITORS: Amounts falling due after more than one year	16		1,162,755		1,377,336
PROVISIONS FOR LIABILITIES					
Deferred taxation	17		46,818		42,464
			<u>3,191,203</u>		<u>2,973,106</u>
CAPITAL AND RESERVES					
Called-up equity share capital	19		4,000		4,000
Profit and loss account	20		3,187,203		2,969,106
SHAREHOLDERS' FUNDS			<u>3,191,203</u>		<u>2,973,106</u>

These consolidated financial statements were approved by the directors and authorised for issue on 14 November 2012, and are signed on their behalf by

P MANN
Director



D MANN
Director



Company Registration Number 01525421

The notes on pages 14 to 26 form part of these consolidated financial statements.

A M PACKAGING LIMITED

GROUP CASH FLOW STATEMENT

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

	Period from 1 Jan 11 to 31 Mar 12 £	£	Year to 31 Dec 10 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		596,309		189,888
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	170		191	
Interest paid	<u>(82,157)</u>		<u>(83,510)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(81,987)		(83,319)
TAXATION		(102,653)		(14,924)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(159,242)		(112,248)	
Receipts from sale of fixed assets	13,553		1,951	
Payment to acquire other current asset investments	<u>—</u>		<u>979</u>	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(145,689)		(109,318)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		265,980		(17,673)
FINANCING				
(Repayment of)/increase in bank loans	(140,528)		182,003	
Net outflow from other long-term creditors	<u>(74,092)</u>		<u>(103,973)</u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(214,620)		78,030
INCREASE IN CASH		<u>51,360</u>		<u>60,357</u>

The notes on pages 14 to 26 form part of these consolidated financial statements.

A M PACKAGING LIMITED

GROUP CASH FLOW STATEMENT

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Operating profit	441,887	309,900
Amortisation	5,119	5,119
Depreciation	150,200	121,738
Profit on disposal of fixed assets	(130)	(861)
Decrease in stocks	142,183	92,343
Increase in debtors	(330,224)	(42,754)
Increase/(decrease) in creditors	183,218	(295,597)
Loss on foreign currency retranslation on debt	4,056	–
Net cash inflow from operating activities	<u>596,309</u>	<u>189,888</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 Mar 12 £	£	31 Dec 10 £	£
Increase in cash in the period	51,360		60,357	
Net cash outflow from/(inflow) from bank loans	140,528		(182,003)	
Net cash outflow from other long-term creditors	<u>74,092</u>		<u>103,973</u>	
		<u>265,980</u>		<u>(17,673)</u>
Change in net debt		265,980		(17,673)
Net debt at 1 January 2011		<u>(2,242,374)</u>		<u>(2,224,701)</u>
Net debt at 31 March 2012		<u>(1,976,394)</u>		<u>(2,242,374)</u>

The notes on pages 14 to 26 form part of these consolidated financial statements.

A M PACKAGING LIMITED
GROUP CASH FLOW STATEMENT

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2011 £	Cash flows £	At 31 Mar 2012 £
Net cash			
Cash in hand and at bank	187,033	(116,252)	70,781
Overdrafts	<u>(922,792)</u>	<u>167,612</u>	<u>(755,180)</u>
	<u>(735,759)</u>	<u>51,360</u>	<u>(684,399)</u>
Debt			
Debt due within 1 year	(117,964)	(11,276)	(129,240)
Debt due after 1 year	<u>(1,388,651)</u>	<u>225,896</u>	<u>(1,162,755)</u>
	<u>(1,506,615)</u>	<u>214,620</u>	<u>(1,291,995)</u>
Net debt	<u>(2,242,374)</u>	<u>265,980</u>	<u>(1,976,394)</u>

The notes on pages 14 to 26 form part of these consolidated financial statements.

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

1. ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted to eliminate group balances and transactions on consolidation. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the consolidated financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover comprises the value of sales of goods and services in the normal course of business after deducting trade discounts, value added tax and other taxes based on turnover.

Services provided during the year which have not been invoiced at the balance sheet date have been recognised as turnover in accordance with UITF 40 and included as accrued income. Turnover recognised in this manner is based upon an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill on acquisition	- 5% straight line
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Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% to 10% straight line on buildings
Plant and machinery	- 10% to 15% reducing balance
Furniture and equipment	- 10% to 40% reducing balance
Motor vehicles	- 25% reducing balance

Land is not depreciated

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

1. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value on a first in first out basis, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

The financial statements of the subsidiary of the parent company are translated to the presentational currency of these consolidated financial statements prior to consolidation. For each year the subsidiary is presented in the consolidated financial statements (including comparatives) the assets and liabilities are translated at the closing rate, the profit and loss account is translated at the average rate, and share capital is translated at the historical rate. All resulting exchange differences on translation of the subsidiary are recognised directly in the profit and loss reserve.

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments are initially recorded at cost, being the fair value of the consideration including associated acquisition costs.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below.

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
United Kingdom	3,727,711	3,119,024
Overseas	8,197,666	7,142,887
	<u>11,925,377</u>	<u>10,261,911</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Amortisation of intangible assets	5,119	5,119
Depreciation of owned fixed assets	150,200	121,738
Profit on disposal of fixed assets	(130)	(861)
Auditor's remuneration		
- as auditor	17,194	12,810
- for other services	6,886	8,065
Net loss on foreign currency translation	<u>17,347</u>	<u>8,740</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period amounted to

	Period from 1 Jan 11 to 31 Mar 12 No	Year to 31 Dec 10 No
Number of production staff	158	151
Number of distribution staff	5	5
Number of administrative staff	6	6
Number of management staff	6	6
	<u>175</u>	<u>168</u>

The aggregate payroll costs of the above were:

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Wages and salaries	4,520,777	3,496,175
Social security costs	503,155	367,978
Other pension costs	221,344	137,269
	<u>5,245,276</u>	<u>4,001,422</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Remuneration receivable	478,388	374,656
Value of company pension contributions to money purchase schemes	165,000	90,000
	<u>643,388</u>	<u>464,656</u>

Remuneration of highest paid director:

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Total remuneration (excluding pension contributions)	<u>211,825</u>	<u>162,231</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 1 Jan 11 to 31 Mar 12 No	Year to 31 Dec 10 No
Money purchase schemes	<u>3</u>	<u>3</u>

6. INTEREST RECEIVABLE

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Bank interest receivable	170	165
Other shares dividends received	—	26
	<u>170</u>	<u>191</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Interest payable on bank borrowing	26,257	42,006
Other similar charges payable	55,900	41,504
	<u>82,157</u>	<u>83,510</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Current tax		
UK Taxation		
In respect of the period		
UK Corporation tax based on the results for the period at 26% (2010 - 21%)	94,385	22,290
Foreign tax		
Current tax on income for the period	48,134	51,047
Adjustments in respect of prior periods	<u>19,449</u>	<u>-</u>
	<u>67,583</u>	<u>51,047</u>
Total current tax	<u>161,968</u>	<u>73,337</u>
Deferred tax		
Origination and reversal of timing differences	<u>2,159</u>	<u>(16,434)</u>
Tax on profit on ordinary activities	<u><u>164,127</u></u>	<u><u>56,903</u></u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 26% (2010 - 21%).

	Period from 1 Jan 11 to 31 Mar 12 £	Year to 31 Dec 10 £
Profit on ordinary activities before taxation	<u>359,900</u>	<u>226,581</u>
Profit on ordinary activities by rate of tax	93,574	47,582
Depreciation for the period in excess of capital allowances	6,870	1,144
Expenses not deductible for tax purposes	48,838	24,611
Marginal relief	(6,763)	-
Adjustments to tax charge in respect of previous periods	<u>19,449</u>	<u>-</u>
Total current tax (note 8(a))	<u><u>161,968</u></u>	<u><u>73,337</u></u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the consolidated financial statements of the parent company was £218,097 (2010 - £77,100)

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2011 and 31 March 2012	<u>102,383</u>
AMORTISATION	
At 1 January 2011	89,847
Charge for the period	<u>5,119</u>
At 31 March 2012	<u>94,966</u>
NET BOOK VALUE	
At 31 March 2012	<u>7,417</u>
At 31 December 2010	<u>12,536</u>

11. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 January 2011	3,409,396	1,074,763	470,415	125,821	5,080,395
Additions	16,157	77,488	17,612	47,985	159,242
Disposals	–	(10,586)	–	(29,910)	(40,496)
Transfers	(86,434)	(52,825)	(12,394)	(7,679)	(159,332)
At 31 March 2012	<u>3,339,119</u>	<u>1,088,840</u>	<u>475,633</u>	<u>136,217</u>	<u>5,039,809</u>
DEPRECIATION					
At 1 January 2011	414,577	744,517	375,640	74,367	1,609,101
Charge for the period	52,248	54,146	27,763	16,043	150,200
On disposals	–	(8,248)	–	(18,825)	(27,073)
Transfers	(20,870)	(27,268)	(7,623)	(4,467)	(60,228)
At 31 March 2012	<u>445,955</u>	<u>763,147</u>	<u>395,780</u>	<u>67,118</u>	<u>1,672,000</u>
NET BOOK VALUE					
At 31 March 2012	<u>2,893,164</u>	<u>325,693</u>	<u>79,853</u>	<u>69,099</u>	<u>3,367,809</u>
At 31 December 2010	<u>2,994,819</u>	<u>330,246</u>	<u>94,775</u>	<u>51,454</u>	<u>3,471,294</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

11. TANGIBLE FIXED ASSETS *(continued)*

Company	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 January 2011	2,849,472	732,553	390,125	76,075	4,048,225
Additions	1,688	10,642	7,466	4,450	24,246
Disposals	—	(9,500)	—	(4,595)	(14,095)
At 31 March 2012	2,851,160	733,695	397,591	75,930	4,058,376
DEPRECIATION					
At 1 January 2011	280,161	567,882	326,256	45,428	1,219,727
Charge for the period	23,240	21,252	18,928	10,711	74,131
On disposals	—	(7,621)	—	(4,044)	(11,665)
At 31 March 2012	303,401	581,513	345,184	52,095	1,282,193
NET BOOK VALUE					
At 31 March 2012	2,547,759	152,182	52,407	23,835	2,776,183
At 31 December 2010	2,569,311	164,671	63,869	30,647	2,828,498

Group Freehold Property includes non-depreciable land with a net book value of £324,783 (2010 - £324,783)

Company Freehold Property includes non-depreciable land with a net book value of £158,720 (2010 - £158,720)

12. INVESTMENTS

Company	Subsidiary Undertaking £
COST	
At 1 January 2011 and 31 March 2012	500,069
AMOUNTS WRITTEN OFF	
At 1 January 2011 and 31 March 2012	390,408
NET BOOK VALUE	
At 31 March 2012 and 31 December 2010	109,661

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

12. INVESTMENTS *(continued)*

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company				
A M P Rose Private Limited	India	Ordinary shares	60%	Confectionery manufacturing and packaging machinery

13. STOCKS

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Raw materials	148,117	92,511	–	–
Work in progress	648,146	722,933	641,185	711,271
Finished goods	1,537,853	1,642,322	1,528,040	1,628,720
Payments on account	(64,887)	(46,354)	(64,887)	(46,354)
	<u>2,269,229</u>	<u>2,411,412</u>	<u>2,104,338</u>	<u>2,293,637</u>

14. DEBTORS

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Trade debtors	1,030,199	1,105,666	791,846	824,526
Amounts owed by group undertakings	–	–	214,862	210,463
VAT recoverable	144,076	26,838	144,076	26,838
Amounts recoverable on contracts	827,532	471,782	827,532	471,782
Other debtors	56,576	184,885	17,911	60,537
Directors current accounts	44,976	68,445	44,976	68,445
Prepayments and accrued income	415,026	330,976	103,219	75,848
	<u>2,518,385</u>	<u>2,188,592</u>	<u>2,144,422</u>	<u>1,738,439</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Bank loans and overdrafts	884,420	1,040,756	866,780	1,030,792
Payments received on account	487,208	97,057	487,208	97,057
Trade creditors	1,244,835	1,423,910	1,117,252	1,319,600
Amounts owed to group undertakings	—	—	—	50,589
Other creditors including taxation and social security				
Corporation tax	326,969	267,654	94,385	39,402
Other taxation and social security	99,257	106,970	99,257	106,970
Other creditors	162,088	204,128	25	2,118
Accruals and deferred income	117,541	95,646	98,091	63,584
	<u>3,322,318</u>	<u>3,236,121</u>	<u>2,762,998</u>	<u>2,710,112</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Bank loans and overdrafts	<u>866,780</u>	<u>1,036,218</u>	<u>866,780</u>	<u>1,030,792</u>

Security has been provided to the group's bankers by way of first legal charges over the assets of the group

16. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Bank loans and overdrafts	1,162,755	1,314,559	1,162,755	1,303,244
Other creditors	—	74,092	—	74,092
	<u>1,162,755</u>	<u>1,388,651</u>	<u>1,162,755</u>	<u>1,377,336</u>

Other creditors are amounts owed to A M Packaging Limited Pension Scheme

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Bank loans and overdrafts	<u>1,162,755</u>	<u>1,314,559</u>	<u>1,162,755</u>	<u>1,303,244</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

16. CREDITORS: Amounts falling due after more than one year *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	31 Mar 12	31 Dec 10	31 Mar 12	31 Dec 10
	£	£	£	£
Bank loans and overdrafts	<u>604,755</u>	<u>871,244</u>	<u>604,755</u>	<u>871,244</u>

The main bank loan is repayable over 10 years with an interest rate of 2.51% above base rate

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was

	Group		Company	
	1 Jan 11 to 31 Mar 12	Year to 31 Dec 10	1 Jan 11 to 31 Mar 12	Year to 31 Dec 10
	£	£	£	£
Provision brought forward	42,464	58,898	42,464	58,898
Increase/(Decrease) in provision	<u>2,159</u>	<u>(16,434)</u>	<u>4,354</u>	<u>(16,434)</u>
Provision carried forward	<u>44,623</u>	<u>42,464</u>	<u>46,818</u>	<u>42,464</u>

The group and company's provisions for deferred taxation consist of the tax effect of timing differences in respect of

	Group		Company	
	1 Jan 11 to 31 Mar 12	Year to 31 Dec 10	1 Jan 11 to 31 Mar 12	Year to 31 Dec 10
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>44,623</u>	<u>42,464</u>	<u>46,818</u>	<u>42,464</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

18. RELATED PARTY TRANSACTIONS

The company was under the control of A Mann throughout the current and previous year A Mann is the managing director and majority shareholder

At the start of the year, A Mann owed £68,445 to the company After additional drawings of £35,913 and repayments to the company of £64,478, A Mann owed the company £39,880 at the yearend The maximum amount outstanding by A Mann to the company during the year was £83,558 (2010 - £169,667)

At the start of the year, D Mann owed £nil to the company After additional drawings of £13,130 and repayments to the company of £8,153, D Mann owed the company £4,977 at the yearend The maximum amount outstanding by D Mann to the company during the year was £8,669 (2010 - £4,303)

At the start of the year, A H Mann owed £nil to the company After additional drawings of £119 and repayments to the company of £nil, A H Mann owed the company £119 at the yearend The maximum amount outstanding by A H Mann to the company during the year was £119 (2010 - £nil)

As part of the general terms and conditions of the bank loan there are personal guarantees from the Directors in respect of, an all moneys guarantee from A Mann of £175,000, an all moneys guarantee from P Mann of £25,000, an all moneys guarantee from D Mann of £25,000, and an all moneys guarantee from A H Mann of £25,000

During the year the company purchased £99,325 (2010 - £196,270) from and supplied £131,260 (2010 - £19,853) to A M P Rose Private Limited At the yearend the company was owed £65,508 (2010 - £7,406) from and owed £nil (2010 - £50,589) to A M P Rose Private Limited

A M Packaging Limited Pension Scheme has advanced the company a loan which is secured by a floating charge over the company's assets and attracts interest at a commercial rate The amount outstanding at the year end is £nil (2010 - £74,092) and is included within other creditors The pension scheme also rents property to the company on a commercial basis and charged £50,000 (2010 - £40,000) in the year

All transactions were at an arm's length basis on normal commercial terms

19. SHARE CAPITAL

Allotted, called up and fully paid:

	31 Mar 12		31 Dec 10	
	No	£	No	£
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

A M PACKAGING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

20. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

Group	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	4,000	3,155,391	3,159,391
Profit for the year	–	130,600	130,600
Gain/(loss) on translation of foreign subsidiary	–	37,634	37,634
Balance brought forward	4,000	3,323,625	3,327,625
Profit for the period	–	197,867	197,867
Gain/(loss) on translation of foreign subsidiary	–	(95,479)	(95,479)
Balance carried forward	<u>4,000</u>	<u>3,426,013</u>	<u>3,430,013</u>

Company	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	4,000	2,892,006	2,896,006
Profit for the year	–	77,100	77,100
Balance brought forward	4,000	2,969,106	2,973,106
Profit for the period	–	218,097	218,097
Balance carried forward	<u>4,000</u>	<u>3,187,203</u>	<u>3,191,203</u>