Registered number: 06167021

Weller Holdings Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2016

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ACCOUNTANTS

Weller Holdings Limited

Company Information

Directors	S R Weller P G Weller
Company secretary	S R Weller
Registered number	06167021
Registered office	Birchbrook Industrial Park Birchbrook Lane Shenstone Staffordshire WS14 0DJ
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Svenska Handelsbanken AB 100 First Avenue Burton upon Trent DE14 2WE

Weller Holdings Limited

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Group Strategic Report
For the Year Ended 31 December 2016

Business review

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

As for many group's of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However we will continue to show flexibility and respond to market conditions and opportunities as they arise.

Principal risks and uncertainties

The group's principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and loans. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through use of overdrafts at floating rates of interest. All of the group's cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Exposure to the volatility of the US Dollar / Sterling exchange rate is minimised by forward exchange contracts for our US Dollar purchases.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and gross profit. During the year the group's turnover grew by 0.5% to £13.63 million whilst gross profit increased from £3.58 million in 2015 to £4.00 million in 2016. The directors are satisfied with the performance during the year.

This report was approved by the board on 31 March 2017 and signed on its behalf.

S R Weller
Director

Directors' Report
For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of group is the sale of paper, polythene and associated packaging products. The principal activity of the company is that of a dormant holding company.

Directors

The directors who served during the year were:

S R Weller
P G Weller

Results and dividends

The profit for the year, after taxation, amounted to £1,368,366 (2015 - £850,332).

The directors have approved the payment of an interim dividend amounting to £3,055,250 (2015 - £300,000). The directors do not propose a final dividend (2015 - £Nil).

Future developments

The directors are confident of the continued good performance of the group. The group continues to promote its product range and seeks to increase its market share.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 financial statements;
- prepare the 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Matters covered in the strategic report

Details on the principal risks and uncertainties are contained in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31 March 2017 and signed on its behalf.

S R Weller
Director

Independent Auditor's Report to the Members of Weller Holdings Limited

We have audited the financial statements of Weller Holdings Limited for the year ended 31 December 2016, which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated and company Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Auditors

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 31 December 2016 and of the Group's profit or loss 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.

Independent Auditor's Report to the Members of Weller Holdings Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and the Directors' report.

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 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.

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
Date: 31 March 2017

Consolidated Profit and Loss Account
For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	**13,632,142**	13,572,306
Cost of sales		**(9,603,186)**	(9,990,847)
Gross profit		**4,028,956**	3,581,459
Distribution costs		**(483,233)**	(475,878)
Administrative expenses		**(1,741,449)**	(1,997,993)
Other operating income	5	**28,208**	18,152
Operating profit	6	**1,832,482**	1,125,740
Interest receivable and similar income	9	**1,714**	508
Interest payable and similar expenses	10	**(92,620)**	(28,152)
Profit before tax		**1,741,576**	1,098,096
Tax on profit	11	**(373,210)**	(247,764)
Profit for the year		**1,368,366**	850,332
Profit for the year attributable to:			
Owners of the parent		**1,368,366**	850,332
		1,368,366	850,332

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated profit and loss account.

The notes on pages 15 to 32 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Profit for the financial year		**1,368,366**	850,332
Other comprehensive income			
Total comprehensive income for the year		**1,368,366**	850,332
Profit for the year attributable to:			
Owners of the parent Company		**1,368,366**	850,332
		1,368,366	850,332
Total comprehensive income attributable to:			
Owners of the parent Company		**1,368,366**	850,332
		1,368,366	850,332

Weller Holdings Limited
Registered number:06167021

Consolidated Balance Sheet
As at 31 December 2016

	Note	2016 £		2015 £	
Fixed assets					
Intangible assets	13	**993,846**		1,084,474	
Tangible assets	15	**1,215,035**		1,244,398	
		2,208,881		2,328,872	
Current assets					
Stocks	17	**3,177,076**		2,779,732	
Debtors: amounts falling due within one year	18	**2,731,990**		2,892,127	
Cash at bank and in hand	19	**845,062**		349,414	
		6,754,128		6,021,273	
Creditors: amounts falling due within one year	20	**(4,101,380)**		(2,519,006)	
Net current assets			**2,652,748**		3,502,267
Total assets less current liabilities			**4,861,629**		5,831,139
Creditors: amounts falling due after more than one year	21		**(720,000)**		-
Provisions for liabilities					
Deferred taxation	24	**(15,934)**		(18,560)	
			(15,934)		(18,560)
Net assets			**4,125,695**		5,812,579
Capital and reserves					
Called up share capital	25		**12,502**		12,502
Other reserves			**2,279,682**		2,279,682
Profit and loss account			**1,833,511**		3,520,395
Equity attributable to owners of the parent Company			**4,125,695**		5,812,579

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2017.

S R Weller
Director

P G Weller
Director

The notes on pages 15 to 32 form part of these financial statements.

Weller Holdings Limited
Registered number:06167021

Company Balance Sheet
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	16	**12,501**	12,501
		12,501	12,501
Current assets			
Debtors: amounts falling due within one year	18	**1**	1
Net assets		**12,502**	12,502
Capital and reserves			
Called up share capital	25	**12,502**	12,502
		12,502	12,502

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2017.

S R Weller
Director

P G Weller
Director

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2016	12,502	2,279,682	3,520,395	5,812,579	5,812,579
Comprehensive income for the year					
Profit for the year	-	-	1,368,366	1,368,366	1,368,366
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	1,368,366	1,368,366	1,368,366
Dividends: Equity capital	-	-	(3,055,250)	(3,055,250)	(3,055,250)
Total transactions with owners	-	-	(3,055,250)	(3,055,250)	(3,055,250)
At 31 December 2016	12,502	2,279,682	1,833,511	4,125,695	4,125,695

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2015

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2015	**12,502**	**2,279,682**	**2,970,063**	**5,262,247**	**5,262,247**
Comprehensive income for the year					
Profit for the year	-	-	**850,332**	**850,332**	**850,332**
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	**850,332**	**850,332**	**850,332**
Dividends: Equity capital	-	-	**(300,000)**	**(300,000)**	**(300,000)**
Total transactions with owners	-	-	**(300,000)**	**(300,000)**	**(300,000)**
At 31 December 2015	**12,502**	**2,279,682**	**3,520,395**	**5,812,579**	**5,812,579**

The notes on pages 15 to 32 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	12,502	-	12,502
Comprehensive income for the year			
Profit for the year	-	3,055,250	3,055,250
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	3,055,250	3,055,250
Contributions by and distributions to owners			
Dividends: Equity capital	-	(3,055,250)	(3,055,250)
Total transactions with owners	-	(3,055,250)	(3,055,250)
At 31 December 2016	12,502	-	12,502

Company Statement of Changes in Equity
For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	**12,502**	**-**	**12,502**
Comprehensive income for the year			
Profit for the year	**-**	**300,000**	**300,000**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**300,000**	**300,000**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(300,000)**	**(300,000)**
Total transactions with owners	**-**	**(300,000)**	**(300,000)**
At 31 December 2015	**12,502**	**-**	**12,502**

The notes on pages 15 to 32 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	**1,368,366**	850,332
Adjustments for:		
Amortisation of intangible assets	**90,628**	90,064
Depreciation of tangible assets	**124,426**	119,291
Loss on disposal of tangible assets	**(7,673)**	(343)
Interest paid	**92,620**	28,152
Interest received	**(1,714)**	(508)
Taxation charge	**373,210**	247,764
(Increase)/decrease in stocks	**(397,344)**	131,546
Decrease/(increase) in debtors	**160,137**	(295,517)
(Decrease)/increase in creditors	**(185,604)**	210,880
Corporation tax (paid)	**(241,173)**	(211,721)
Net cash generated from operating activities	**1,375,879**	1,169,940
Cash flows from investing activities		
Purchase of intangible fixed assets	**-**	(14,829)
Purchase of tangible fixed assets	**(133,140)**	(177,225)
Sale of tangible fixed assets	**45,750**	8,400
Interest received	**1,714**	508
Net cash from investing activities	**(85,676)**	(183,146)
Cash flows from financing activities		
New secured loans	**800,000**	-
Other new loans	**1,553,315**	-
Repayment of other loans	**-**	(394,635)
Dividends paid	**(3,055,250)**	(300,000)
Interest paid	**(92,620)**	(28,152)
Net cash used in financing activities	**(794,555)**	(722,787)
Net increase in cash and cash equivalents	**495,648**	264,007
Cash and cash equivalents at beginning of year	**349,414**	85,407
Cash and cash equivalents at the end of year	**845,062**	349,414
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**845,062**	349,414
	845,062	349,414

1. General information

Weller Holdings Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given in the company information section. The nature of the company's operations and its principal activities are set out in the strategic report and directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%	straight line
Plant and machinery	-	15%	straight line
Motor vehicles	-	25%	reducing balance
Fixtures, fittings and equipment	-	15%	straight line
Computer hardware	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a weighted averag basis.

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

2.9 Debtors

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

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.14 Finance costs

Finance costs are charged to the Consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.17 Interest income

Interest income is recognised in the Consolidated profit and loss account using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Consolidated profit and loss account in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Directors to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual values
The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of plant and machinery, and have concluded that asset lives and residual values are appropriate

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sale of packaging products	**13,632,142**	13,572,306
	13,632,142	13,572,306

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	**13,348,699**	13,321,269
Rest of Europe	**258,250**	209,753
Rest of the world	**25,193**	41,284
	13,632,142	13,572,306

5. Other operating income

	2016 £	2015 £
Rents receivable	**28,208**	18,152
	28,208	18,152

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	**124,426**	119,291
Amortisation of intangible assets, including goodwill	**90,628**	90,064
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	**8,650**	8,400
Exchange differences	**-**	(32,820)
Other operating lease rentals	**110,000**	110,000
Defined contribution pension cost	**27,944**	31,924

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	**972,997**	1,078,577
Social security costs	**92,047**	107,358
Cost of defined contribution scheme	**27,944**	31,924
	1,092,988	1,217,859

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Sales and distribution	**30**	31
Administration	**10**	10
	40	41

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	**103,628**	210,396
Company contributions to defined contribution pension schemes	**83**	567
	103,711	210,963

During the year retirement benefits were accruing to no directors (2015 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2016 £	2015 £
Other interest receivable	**1,714**	508
	1,714	508

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	**517**	41
Other loan interest payable	**92,103**	28,111
	92,620	28,152

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**377,172**	242,509
Adjustments in respect of previous periods	**(1,336)**	-
	375,836	242,509
Total current tax	**375,836**	242,509
Deferred tax		
Origination and reversal of timing differences	**(1,595)**	6,586
Changes to tax rates	**(1,031)**	(1,331)
Total deferred tax	**(2,626)**	5,255
Taxation on profit on ordinary activities	**373,210**	247,764

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the effective rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**1,741,576**	1,098,096
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**348,315**	222,364
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**17,479**	17,657
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**8,199**	10,081
Adjustments to tax charge in respect of prior periods	**(1,336)**	-
Other timing differences	**553**	(2,152)
Marginal relief	**-**	(186)
Total tax charge for the year	**373,210**	247,764

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2016 £	2015 £
Ordinary		
Dividends £nil per share (2015 - £24 per share)	-	300,000
B Ordinary		
Dividends £1,324 per share (2015 - £nil)	**1,655,250**	-
C Ordinary		
Dividends £1,120 per share (2015 - £nil)	**1,400,000**	-
	3,055,250	300,000

13. Intangible assets

Group and Company

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2016	**103,317**	**1,747,858**	**1,851,175**
At 31 December 2016	**103,317**	**1,747,858**	**1,851,175**
Amortisation			
At 1 January 2016	**89,406**	**677,295**	**766,701**
Charge for the year	**3,235**	**87,393**	**90,628**
At 31 December 2016	**92,641**	**764,688**	**857,329**
Net book value			
At 31 December 2016	**10,676**	**983,170**	**993,846**
At 31 December 2015	13,911	1,070,563	1,084,474

14. Parent Company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements. The profit after tax of the parent Company for the year was £3,055,250 (2015 - £300,000).

15. Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2016	**965,335**	**53,432**	**524,536**	**156,614**	**104,039**	**1,803,956**
Additions	**-**	**29,208**	**77,481**	**24,073**	**2,378**	**133,140**
Disposals	**-**	**-**	**(93,295)**	**-**	**-**	**(93,295)**
At 31 December 2016	**965,335**	**82,640**	**508,722**	**180,687**	**106,417**	**1,843,801**
Depreciation						
At 1 January 2016	**65,786**	**48,307**	**294,441**	**82,284**	**68,740**	**559,558**
Charge for the period on owned assets	**29,023**	**4,203**	**63,680**	**14,824**	**12,696**	**124,426**
Disposals	**-**	**-**	**(55,218)**	**-**	**-**	**(55,218)**
At 31 December 2016	**94,809**	**52,510**	**302,903**	**97,108**	**81,436**	**628,766**
Net book value						
At 31 December 2016	**870,526**	**30,130**	**205,819**	**83,579**	**24,981**	**1,215,035**
At 31 December 2015	899,549	5,125	230,095	74,330	35,299	1,244,398

Freehold land and building include a reversionary interest of £3 in respect of property disposed on long term leases.

16. Fixed asset investments

Company

	Investments in subsidiary company £
Cost or valuation	
At 1 January 2016	**12,501**
At 31 December 2016	**12,501**
Net book value	
At 31 December 2016	**12,501**
At 31 December 2015	12,501

17. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Finished goods and goods for resale	**3,177,076**	2,779,732	-	-
	3,177,076	2,779,732	-	-

The difference between purchase price of stocks and their replacement cost is not material.

18. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	**2,574,249**	2,763,170	-	-
Other debtors	-	-	**1**	1
Prepayments and accrued income	**157,741**	128,957	-	-
	2,731,990	2,892,127	**1**	1

19. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	**845,062**	349,414	-	-
	845,062	349,414	-	-

20. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	**80,000**	-	-	-
Other loans	**2,208,282**	654,967	-	-
Trade creditors	**825,658**	1,286,277	-	-
Corporation tax	**377,172**	242,509	-	-
Other taxation and social security	**209,367**	197,340	-	-
Other creditors	**1,342**	1,204	-	-
Accruals and deferred income	**399,559**	136,709	-	-
	4,101,380	2,519,006	-	-

21. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	**720,000**	-	-	-
	720,000	-	-	-

The bank loan has been secured over the land to which it relates and its associated assets. Further security has been taken in the form of a debenture over Weller Packaging Ltd's whole assets and undertaking and a guarantee by P Weller limited to £300,000 plus interest and costs.

22. Loans

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	**80,000**	-	-	-
Other loans	**2,208,282**	654,967	-	-
	2,288,282	654,967	-	-
Amounts falling due 1-2 years				
Bank loans	**80,000**	-	-	-
Amounts falling due 2-5 years				
Bank loans	**640,000**	-	-	-
	3,008,282	654,967	-	-

23. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets measured at undiscounted amounts receivable	**2,574,249**	2,763,170	**1**	1
	2,574,249	2,763,170	**1**	1
Financial liabilities				
Financial liabilities measured at undiscounted amounts payable			**(4,234,841)**	(2,079,157)
			(4,234,841)	(2,079,157)

Financial assets measured at undiscounted amounts receivable comprise cash at bank and trade debtors.

Financial liabilities measured at undiscounted amounts payable comprise bank loans, other loans, trade creditors, other creditors and accruals and deferred income.

24. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	**(18,560)**	**(13,305)**
Charged to the profit or loss	**2,626**	(5,255)
At end of year	**(15,934)**	(18,560)

The provision for deferred taxation is made up as follows:

	Group 2016 £	Group 2015 £
Accelerated capital allowances	**(16,032)**	(18,903)
Tax losses carried forward	**98**	343
	(15,934)	(18,560)

25. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
8,752 A Ordinary shares of £1 each	**8,752**	8,752
1,250 B Ordinary shares of £1 each	**1,250**	1,250
1,250 C Ordinary shares of £1 each	**1,250**	1,250
1,250 D Ordinary shares of £1 each	**1,250**	1,250
	12,502	12,502

All classes of shares rank pari passu other than the distribution of dividends which is at the discretion of the directors.

26. Pension commitments

Contributions paid by the group for the year were £27,944 (2015 - £31,924). Contributions outstanding as at 31 December 2016 were £1,342 (2015 - £1,204).

27. Commitments under operating leases

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	**36,667**	36,667
	36,667	36,667

28. Related party transactions

During the year the group received a loan from P Weller, a director of the company, of £83,882 (2015 - company received a net total of £6,193) and made a repayment of £10,000 (2015 - £37,500). The total of £258,237 (2015 - £184,355) was outstanding as at 31 December 2016. Interest payable on the loan for the year totaled £5,091 (2015 - £7,612) and is included within creditors.

The group received a loan from S Weller,a director of the company, of £1,655,250 (2015 - £150,000) and made a repayment of £428,325 (2015 - £52,967). The total of £1,343,958 (2015 - £117,033) was outstanding as at 31 December 2016 and is included within other loans. Interest payable on the loan for the year totaled £42,965 (2015 - £854) and is included within creditors.

During the year the group also entered into transactions with close family members of the directors. The transactions entered into and the amounts involved are given below:

- The groupmade purchases in respect of cleaning services and insurance totalling £5,644 (2015 - £6,130) from Worthminster Limited, a company jointly owned by P Weller, who is a director of the company. Included within creditors are amounts due to Worthminster Limited of £5,548 (2015 - £Nil). The company also made a repayment to Worthminster Limited for £Nil (2015 - repaid a loan of £170,000). Interest payable on the loan for the year totaled £Nil (2015 - £2,319) and is included within accruals.

- The group received no further loan (2015 - £14,674) from L Cluer, a sister of P Weller, who is a director of the company, and made a repayment of £Nil (2015 - £363,500). The total of £Nil (2015 - £Nil) is outstanding in full and is included within other loans. Interest payable on the loan for the year totaled £Nil (2015 - £7,902).

- The group received a further loan from J Weller, wife of P Weller, who is a director of the company for £64,497 (2015 - £6,690) and made a repayment of £11,989 (2015 - £32,500). The total of £256,087 (2015 - £203,579) is outstanding in full and is included within other loans. Interest payable on the loan for the year totaled £8,619 (2015 - £8,353) and is included within accruals.

- The group received a loan from M J Weller, a brother of S Weller, who is a director of the company for £1,400,000 (2015 - £150,000) and made a repayment of £1,200,000 (2015 - £Nil). The total of £350,000 (2015 - £150,000) is outstanding in full and is included within other loans. Interest payable on the loan for the year totaled £34,215 (2015 - £1,068) and is included within accruals.

- The group paid rent to PALYJA LLP, a Limited Liability Partnership under the joint ownership of P Weller, L Cluer and J Weller totaling £110,000 (2015 - £110,000).

During the year, key management of the group received total compensation of £103,711 (2015 - £210,963).

29. Controlling party

The ultimate controlling party is The Weller Family Settlement 1999 by virtue of its majority shareholding in Weller Holdings Limited.