

**REGISTERED NUMBER: 02747977 (England and Wales)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020  
FOR  
HAMILTON ADHESIVE LABELS LIMITED**



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

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FOR THE YEAR ENDED 31 OCTOBER 2020**

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**HAMILTON ADHESIVE LABELS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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<b>DIRECTORS:</b>	Mr MA Lacey Mr CS Marsh
<b>REGISTERED OFFICE:</b>	Unit B Interlink Way South Bardon Hill Business Park Bardon Hill Leicestershire LE67 1PG
<b>REGISTERED NUMBER:</b>	02747977 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Mr A Turner FCA FMAAT
<b>AUDITORS:</b>	Mark J Rees LLP Chartered Accountants and Statutory Auditors Granville Hall Granville Road Leicester LE1 7RU



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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The directors present their strategic report for the year ended 31 October 2020.

**REVIEW OF BUSINESS**

The year delivered a 10% increase in turnover with a small decrease in Gross margin %. This was achieved despite the company operating under exceptional market conditions, particularly in the second half of the year, due to the global COVID-19 pandemic.

Full employment has been maintained throughout the year with no short time working required and the company not requiring to utilise any of the COVID government support for employee payroll costs.

The spread of customers has continued to pay dividends and protect the company from any major fluctuations in demand levels through the year. Similarly there has been no major issues with any bad debt with most customers paying within or close to their agreed terms.

Company net current assets strengthened considerably in the year.

Fixed asset investment continued with £193k added in the year. However commitments have been made for the installation of major new equipment in the next financial year in excess of £1.2m. This will enhance the company's capability with the latest technology to support the future needs of our customers and the planned company growth.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Competitive pressures represent a continuing risk. However, through longstanding relationships with suppliers and continued investment in systems, the company seeks at all times to minimise such risks. The company is not subject to material currency risks in the cost price of raw materials and labour services in the market in which it operates and therefore does not undertake hedging or similar activities.

The company enjoys significant facilities, operates stringent credit control and sees the need to minimise financial risk at all stages as a priority.

The company's principal financial instruments comprise bank balances, trade debtors, trade creditors and an invoice discounting agreement. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities when funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the 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.

**ON BEHALF OF THE BOARD:**

Mr CS Marsh - Director

8 November 2021





**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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The directors present their report with the financial statements of the company for the year ended 31 October 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 October 2020.

**DIRECTORS**

Mr CS Marsh has held office during the whole of the period from 1 November 2019 to the date of this report.

Following the year end, Mr MA Lacey resigned as a director of Hamilton Adhesive Labels Limited.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Mark J Rees LLP Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr CS Marsh - Director

8 November 2021



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMILTON ADHESIVE LABELS LIMITED**

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### **Opinion**

We have audited the financial statements of Hamilton Adhesive Labels Limited (the 'company') for the year ended 31 October 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMILTON ADHESIVE LABELS LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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

Mr A Turner FCA FMAAT (Senior Statutory Auditor)  
for and on behalf of Mark J Rees LLP Chartered Accountants  
and Statutory Auditors  
Granville Hall  
Granville Road  
Leicester  
LE1 7RU

8 November 2021



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	4	<b>13,219,019</b>	11,974,189
Cost of sales		<u>10,357,919</u>	<u>9,248,536</u>
<b>GROSS PROFIT</b>		<b>2,861,100</b>	2,725,653
Administrative expenses		<u>2,383,668</u>	<u>2,440,160</u>
		477,432	285,493
Other operating income		<u>1,000</u>	<u>1,000</u>
<b>OPERATING PROFIT</b>	6	<b>478,432</b>	286,493
Interest receivable and similar income	7	<u>36,677</u>	<u>815</u>
		515,109	287,308
Interest payable and similar expenses	8	<u>74,259</u>	<u>102,328</u>
<b>PROFIT BEFORE TAXATION</b>		<b>440,850</b>	184,980
Tax on profit	9	<u>91,672</u>	<u>43,302</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>349,178</b>	141,678
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation in year		632,515	-
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>632,515</b>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>981,693</b>	141,678





**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**BALANCE SHEET  
31 OCTOBER 2020**

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>3,358,925</b>		2,997,179
<b>CURRENT ASSETS</b>					
Stocks	11	<b>617,538</b>		546,074	
Debtors	12	<b>4,831,602</b>		4,084,046	
Cash at bank and in hand		<b>411,505</b>		<u>235,894</u>	
		<b>5,860,645</b>		4,866,014	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<b>5,835,806</b>		<u>5,234,534</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<b>24,839</b>		<b>(368,520)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,383,764</b>		2,628,659
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<b>(763,361)</b>		<b>(972,706)</b>
<b>PROVISIONS FOR LIABILITIES</b>	18		<b>(155,844)</b>		<b>(173,087)</b>
<b>NET ASSETS</b>			<b><u>2,464,559</u></b>		<b><u>1,482,866</u></b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<b>10,000</b>		10,000
Revaluation reserve	20		<b>632,515</b>		-
Retained earnings	20		<b>1,822,044</b>		1,472,866
<b>SHAREHOLDERS' FUNDS</b>			<b><u>2,464,559</u></b>		<b><u>1,482,866</u></b>

The financial statements were approved by the Board of Directors and authorised for issue on 8 November 2021 and were signed on its behalf by:

Mr CS Marsh - Director



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Revaluation reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 November 2018</b>	10,000	1,331,188	-	1,341,188
<b>Changes in equity</b>				
Total comprehensive income	-	141,678	-	141,678
<b>Balance at 31 October 2019</b>	<u>10,000</u>	<u>1,472,866</u>	<u>-</u>	<u>1,482,866</u>
<b>Changes in equity</b>				
Total comprehensive income	-	349,178	632,515	981,693
<b>Balance at 31 October 2020</b>	<u>10,000</u>	<u>1,822,044</u>	<u>632,515</u>	<u>2,464,559</u>



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,080,494	(35,229)
Interest paid		(36,518)	(52,797)
Interest element of hire purchase payments paid		(37,741)	(49,531)
Tax paid		-	(38,355)
Net cash from operating activities		<u>1,006,235</u>	<u>(175,912)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(192,778)	(144,494)
Sale of tangible fixed assets		-	20,000
Interest received		36,677	815
Net cash from investing activities		<u>(156,101)</u>	<u>(123,679)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(286,255)	(216,017)
Amount introduced by directors		18,900	-
Amount withdrawn by directors		(407,168)	(83,664)
Net cash from financing activities		<u>(674,523)</u>	<u>(299,681)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>175,611</u>	<u>(599,272)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	235,894	835,166
<b>Cash and cash equivalents at end of year</b>	2	<u>411,505</u>	<u>235,894</u>



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2020</b>	2019
	£	£
Profit before taxation	<b>440,850</b>	184,980
Depreciation charges	<b>463,547</b>	502,323
Profit on disposal of fixed assets	-	(6,911)
Government grants	<b>(1,000)</b>	(1,000)
Finance costs	<b>74,259</b>	102,328
Finance income	<b>(36,677)</b>	(815)
	<b>940,979</b>	780,905
Increase in stocks	<b>(71,464)</b>	(160,026)
Increase in trade and other debtors	<b>(408,288)</b>	(638,583)
Increase/(decrease) in trade and other creditors	<b>619,267</b>	(17,525)
<b>Cash generated from operations</b>	<b><u>1,080,494</u></b>	<b><u>(35,229)</u></b>

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 October 2020**

	<b>31.10.20</b>	<b>1.11.19</b>
	£	£
Cash and cash equivalents	<b><u>411,505</u></b>	<b><u>235,894</u></b>

**Year ended 31 October 2019**

	31.10.19	1.11.18
	£	£
Cash and cash equivalents	<b><u>235,894</u></b>	<b><u>835,166</u></b>





**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.19 £	Cash flow £	At 31.10.20 £
<b>Net cash</b>			
Cash at bank and in hand	<u>235,894</u>	<u>175,611</u>	<u>411,505</u>
	<u>235,894</u>	<u>175,611</u>	<u>411,505</u>
<b>Debt</b>			
Finance leases	(728,297)	286,255	(442,042)
Debts falling due within 1 year	(1,229,055)	(44,529)	(1,273,584)
Debts falling due after 1 year	<u>(526,071)</u>	<u>23,138</u>	<u>(502,933)</u>
	<u>(2,483,423)</u>	<u>264,864</u>	<u>(2,218,559)</u>
<b>Total</b>	<u>(2,247,529)</u>	<u>440,475</u>	<u>(1,807,054)</u>



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
02747977)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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1. **STATUTORY INFORMATION**

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

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

3. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The financial statements are prepared on the going concern basis.

**Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are not considered to be any critical judgements in applying the company's accounting policies. The company makes estimates and assumptions concerning the future. The resulting estimates will by definition seldom equal the actual results. There are no estimates or assumptions carrying a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year.

**Turnover**

Revenue comprises the fair value for the sale of goods excluding value added taxes and represents net invoice value less estimated rebates, returns and settlement discounts. The company supplies products to customers from its manufacturing sites and warehouses, under standard terms and conditions. In all cases revenue is recognised when the risks and rewards of ownership are transferred and this is defined to be on dispatch of the goods.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20% on cost, 20% on reducing balance and 10% on cost
Fixtures and fittings	- 33% on reducing balance and 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at costs less accumulated depreciation and impairment losses. Costs include the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in profit and loss.

**Government grants**

Government grants are recognised on the accruals basis for the period to which they relate.



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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3. **ACCOUNTING POLICIES - continued**

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Financial instruments**

The company has chosen to adopt 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

There are no assets which are initially measured at fair value.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

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

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

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



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

3. **ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

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

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

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

The company's turnover is entirely attributable to the sale of goods.

5. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	2,293,822	2,165,342
Social security costs	228,271	212,482
Other pension costs	47,184	36,110
	<u>2,569,277</u>	<u>2,413,934</u>

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

	2020	2019
Directors	2	2
Sales	2	3
Admin	14	13
Factory management	1	2
Direct labour	46	45
	<u>65</u>	<u>65</u>

	2020	2019
	£	£
Directors' remuneration	184,696	174,789
Directors' pension contributions to money purchase schemes	<u>1,314</u>	<u>1,104</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**6. OPERATING PROFIT**

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

	<b>2020</b>	2019
	£	£
Other operating leases	<b>79,288</b>	78,884
Depreciation - owned assets	<b>361,995</b>	354,244
Depreciation - assets on hire purchase contracts	<b>101,552</b>	148,082
Profit on disposal of fixed assets	-	(6,911)
Auditors remuneration	<b>6,550</b>	6,400
Leases of motor vehicles	<b>50,250</b>	46,388
Stocks recognised as an expense	<b>8,344,250</b>	7,539,685
Staff pensions	<b>47,184</b>	36,110

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	2019
	£	£
Bank interest	<b>2,961</b>	490
Other interest received	<b>33,716</b>	325
	<b>36,677</b>	815

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2020</b>	2019
	£	£
Bank loan interest	<b>12,005</b>	19,864
Factoring interest	<b>24,513</b>	32,933
Hire purchase	<b>37,741</b>	49,531
	<b>74,259</b>	102,328

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	<b>2020</b>	2019
	£	£
Current tax:		
UK corporation tax	<b>108,915</b>	68,693
Deferred taxation	<b>(17,243)</b>	(25,391)
Tax on profit	<b>91,672</b>	43,302

UK corporation tax has been charged at 19% (2019 - 19%).



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

9. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	2020 £	2019 £
Profit before tax	<u>440,850</u>	<u>184,980</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	83,762	35,146
Effects of:		
Expenses not deductible for tax purposes	1,504	927
Depreciation in excess of capital allowances	<u>6,406</u>	<u>7,229</u>
Total tax charge	<u>91,672</u>	<u>43,302</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £	2020 Tax £	Net £
Revaluation in year	<u>632,515</u>	<u>-</u>	<u>632,515</u>

10. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 November 2019	1,587,627	4,007,743	696,422	106,463	6,398,255
Additions	-	172,375	20,403	-	192,778
Revaluations	<u>212,373</u>	-	-	-	<u>212,373</u>
At 31 October 2020	<u>1,800,000</u>	<u>4,180,118</u>	<u>716,825</u>	<u>106,463</u>	<u>6,803,406</u>
<b>DEPRECIATION</b>					
At 1 November 2019	388,424	2,506,555	463,825	42,272	3,401,076
Charge for year	31,718	368,150	46,628	17,051	463,547
Revaluation adjustments	<u>(420,142)</u>	-	-	-	<u>(420,142)</u>
At 31 October 2020	<u>-</u>	<u>2,874,705</u>	<u>510,453</u>	<u>59,323</u>	<u>3,444,481</u>
<b>NET BOOK VALUE</b>					
At 31 October 2020	<u>1,800,000</u>	<u>1,305,413</u>	<u>206,372</u>	<u>47,140</u>	<u>3,358,925</u>
At 31 October 2019	<u>1,199,203</u>	<u>1,501,188</u>	<u>232,597</u>	<u>64,191</u>	<u>2,997,179</u>



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

10. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 October 2020 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2021	1,800,000	-	-	-	1,800,000
Cost	<u>-</u>	<u>4,180,118</u>	<u>716,825</u>	<u>106,463</u>	<u>5,003,406</u>
	<u><u>1,800,000</u></u>	<u><u>4,180,118</u></u>	<u><u>716,825</u></u>	<u><u>106,463</u></u>	<u><u>6,803,406</u></u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 November 2019 and 31 October 2020	<u>1,236,990</u>	<u>49,353</u>	<u>106,463</u>	<u>1,392,806</u>
<b>DEPRECIATION</b>				
At 1 November 2019	343,580	14,439	42,272	400,291
Charge for year	<u>75,270</u>	<u>9,231</u>	<u>17,051</u>	<u>101,552</u>
At 31 October 2020	<u>418,850</u>	<u>23,670</u>	<u>59,323</u>	<u>501,843</u>
<b>NET BOOK VALUE</b>				
At 31 October 2020	<u>818,140</u>	<u>25,683</u>	<u>47,140</u>	<u>890,963</u>
At 31 October 2019	<u>893,410</u>	<u>34,914</u>	<u>64,191</u>	<u>992,515</u>

11. **STOCKS**

	2020 £	2019 £
Raw materials	334,503	272,044
Work-in-progress	126,430	96,533
Finished goods	<u>156,605</u>	<u>177,497</u>
	<u><u>617,538</u></u>	<u><u>546,074</u></u>



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**12. DEBTORS**

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,948,553	2,725,859
Other debtors	268,465	-
Directors' current accounts	771,215	431,947
Taxation	107,388	107,388
Prepayments and accrued income	<u>310,315</u>	<u>230,586</u>
	<u><b>4,405,936</b></u>	<u><b>3,495,780</b></u>
Amounts falling due after more than one year:		
Other debtors	<u>425,666</u>	<u>588,266</u>
Aggregate amounts	<u><b>4,831,602</b></u>	<u><b>4,084,046</b></u>

Financial assets that are debt instruments measured at amortised costs include trade debtors, other debtors and directors' current accounts. Trade debtors includes £2,069,564 (2019 - £2,104,898) which is subject to an invoice discounting agreement.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Bank loans and overdrafts (see note 15)	21,765	21,765
Other loans (see note 15)	1,251,819	1,207,290
Hire purchase contracts (see note 16)	182,614	283,662
Trade creditors	3,725,041	3,381,881
Taxation	177,670	68,754
Social security and other taxes	115,454	56,011
VAT	245,790	91,697
Other creditors	10,713	8,850
Directors' current accounts	-	49,000
Accruals and deferred income	103,940	64,624
Deferred government grants	<u>1,000</u>	<u>1,000</u>
	<u><b>5,835,806</b></u>	<u><b>5,234,534</b></u>

Financial liabilities measured at amortised cost include bank loans and overdrafts, the invoice discounting creditor, hire purchase contracts, trade creditors, other creditors and directors' current accounts.

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Bank loans (see note 15)	502,933	526,071
Hire purchase contracts (see note 16)	259,428	444,635
Deferred government grants	<u>1,000</u>	<u>2,000</u>
	<u><b>763,361</b></u>	<u><b>972,706</b></u>





**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

14. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

Financial liabilities measured at cost include bank loans, overdraft and hire purchase contracts.

15. **LOANS**

An analysis of the maturity of loans is given below:

	<b>2020</b>	2019
	<b>£</b>	£
Amounts falling due within one year or on demand:		
Bank loans - less than 1 yr	<b>21,765</b>	21,765
Invoice discounting creditor	<b><u>1,251,819</u></b>	<u>1,207,290</u>
	<b><u>1,273,584</u></b>	<u>1,229,055</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<b><u>21,765</u></b>	<u>21,765</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<b><u>481,168</u></b>	<u>504,306</u>

The bank loan is repayable in monthly instalments over 5 years with a 20 year amortisation profile and a final balancing payment due at the end of the loan period. Interest is charged at a rate of 2.15% above the Bank Base Rate.

16. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Net obligations repayable:		
Within one year	<b>182,614</b>	283,662
Between one and five years	<b><u>259,428</u></b>	<u>444,635</u>
	<b><u>442,042</u></b>	<u>728,297</u>

The above finance leases relate to machinery used in the company's operations and to staff vehicles. There are no contingent rental or renewal option clauses. All leases have purchase option clauses excluding vehicles leases in which the company have already committed to purchase the asset at the end of lease. The final purchase price for leased vehicles is included in the hire purchase creditors.



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER: 02747977)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	524,698	547,836
Hire purchase contracts	442,042	728,297
Invoice discounting creditor	<u>1,206,201</u>	<u>1,207,290</u>
	<u><b>2,172,941</b></u>	<u><b>2,483,423</b></u>

The bank loan is secured by a debenture over all assets of the company and by a first legal mortgage over freehold property. Hire purchase contracts are secured on the assets to which they relate. The invoice discounting creditor is secured by a fixed and floating charge over the assets of the company.

**18. PROVISIONS FOR LIABILITIES**

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	<u>155,844</u>	<u>173,087</u>
		<b>Deferred tax</b>
		£
Balance at 1 November 2019		173,087
Provided during year		<u>(17,243)</u>
Balance at 31 October 2020		<u><b>155,844</b></u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

**20. RESERVES**

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 November 2019	1,472,866	-	1,472,866
Profit for the year	349,178		349,178
Revaluation in year	-	632,515	632,515
At 31 October 2020	<u>1,822,044</u>	<u>632,515</u>	<u>2,454,559</u>



**HAMILTON ADHESIVE LABELS LIMITED (REGISTERED NUMBER:  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 OCTOBER 2020**

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**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the start of the year a director had an advance of £431,947 (2019: £348,283). Further amounts of £358,168 (2019: £172,412) were advanced in the year. Repayments of £18,900 (2019: £88,748) were made during the year. As at 31 October 2020 a director owed the company £771,215 (2019: £431,947).

At the start of the year a director had a credit of £49,000 (2019: £49,000). Amounts of £49,000 (2019: £NIL) were advanced in the year. As at 31 October 2020, the same director was owed £NIL (2019: £49,000) from the company.

The loan was interest free and repayable on demand.

**22. RELATED PARTY DISCLOSURES**

At the year end the company was owed £335,007 (2019 - £267,261) as a trade debtor by a company under common control.

At the year end the company was owed £543,266 (2019 - £588,266) on a loan to a company under common control. The balance owed is on deferred terms and interest will be charged at 5% over base rate.

**23. ULTIMATE CONTROLLING PARTY**

The company is controlled by the directors who own 95% of the called up share capital.

**24. PENSION SCHEME**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £47,184 (2019 - £36,110). Contributions totalling £10,369 (2019 - £8,532) were payable to the scheme at the end of the year and are included in creditors.



