CORAL PRODUCTS PLC

ANNUAL REPORT AND ACCOUNTS 2021

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Financial Highlights (on continuing operations)

	2021	2020 **Restated**
Group revenue	**£10.7m**	£8.7m
Gross margin	**35.5%**	33.4%
Loss before tax	**£(0.3)m**	£(0.5)m
Operating loss	**£(0.2)m**	£(0.3)m
Underlying earnings before interest, tax, depreciation and amortisation *	**£1.3m**	£0.8m
Underlying operating profit *	**£0.9m**	£0.4m

*Underlying profit measures are defined and explained in the accounting policies and in note 6 of the financial statements.

Business Overview

About Us

Coral Products is a manufacturer and distributor of plastic injection, extruded and vacuum formed moulded products into a diverse range of sectors including personal care, household, healthcare, automotive, telecoms and rail. The Group has operations in the UK with manufacturing and distribution facilities throughout Greater Manchester.

By developing innovative plastic moulded products, providing excellent customer service and through its hard-working employees, Coral Products continues to refocus on new markets to be in a position to create growth and value for its shareholders.

Overview

The Company was listed on the main market of the LSE from April 1995, moving to AIM in August 2011. The Company develops innovative products such as extrusion profiles, trigger sprays and nozzles, injection moulded and vacuum formed products, serving a more diverse market and customer base. The Company manufactures and distributes a range of own and customer plastic products servicing a plethora of different uses including Network Rail, Telecoms, extrusion profiles, customised packaging, personal care and cosmetics.

Strategy

We aim to grow and develop our positions within our chosen product markets and geographical areas by maintaining strong long-term relationships with our customers and developing high quality, innovative products that meet customer needs. We aim to develop the relationship and work together to produce a partnership resulting in long-term reliability of production, development and flexibility as the need arises in order to deliver long-term sustainable profit growth. There are five key drivers to our strategy which support a focused sales approach:

Health and safety – This is a main priority in the business and we have strived to implement an environment where safety is paramount. We continuously train and re-train our staff to ensure that we operate best health and safety practices throughout the organisation.

Quality – We have an excellent reputation for delivering quality products but we are not complacent. We invest continuously in new machinery, robotics and moulds in order to maintain a strong position and keep market share. Our quality control and assurance processes are regularly reviewed and developed to ensure that our customers receive quality products each time. We are currently certified to ISO 9001 standard.

Cost control – We continually monitor prices to improve our financial efficiency and deliver the best returns for shareholders. This may lead to dual supply sources to ensure key costs are minimised. We recognise also the efficiencies and effectiveness that results from new machinery and automation in reducing our carbon footprint as well as the positive effect on reducing the cost of power usage in our manufacturing facilities.

Culture – We continually look to promote a well-motivated workforce by attracting and motivating talented people to drive our business forward and foster a culture of responsibility, accountability and openness.

Acquisitions - We have adopted a strategy of seeking acquisitions where we feel we can add value from synergies or investment to grow our markets and ultimately enhance shareholder value.

Strategic Plan

In light of the likely long-term effect on economic activity from the covid 19 pandemic we are revisiting and reviewing our strategy for the next 5 years.

Business Overview
continued

Business Model

To create and grow markets for vacuum formed and fabricated products, extrusion profiles, triggers and spray nozzles, via innovation, development and acquisitions. We recognise that for many products' plastic is a better solution for handling goods and gives greater functionality, economy and supports a cleaner environment than other packaging mechanisms.

Social, Community and Human Rights Issues

The Group endeavours to impact positively on the communities in which it operates. In particular, raw materials are purchased from established companies which have high reputations within the plastics industry.

The Group's ethical and social accountability statement details the standards of behaviour which are regarded as acceptable. Provision of a safe, clean working environment, free from discrimination, is an essential right of all the employees. These are regularly audited to ensure the Group continues to adopt good manufacturing practices in order to develop and manufacture safe, legal packaging materials. The Group is often audited by its customers to assess compliance with minimum acceptable standards.

Chairman's Statement

Coronavirus

With the coronavirus pandemic ongoing, our continuing priority is to do all we can to keep our workplaces as safe as possible for staff, ensuring that we follow all government guidelines. We have planned our business to be flexible, in all areas, to meet fluctuating levels of demand. We have robust financial controls that will ensure we maintain our working capital requirements whilst meeting all our agreed parameters with our financial partners. Our sites have continued manufacturing throughout the pandemic.

There will be many challenges to our working practices as the pandemic develops and we have put plans in place to protect our most vulnerable employees, comply with the differing levels of Government restrictions and cope with illness throughout the business. In particular, we have adapted our technology for greater home working and seeking to segregate critical operational teams so as to keep all our vital operations and projects on track.

The actions taken by your Board give us confidence that we will come through this current crisis and will be in a position to take advantage of any economic upturn.

The CBIL loan of £1 million pounds received on 13 May 2020 has now been fully repaid. We have returned to spending on capital expenditure to meet current increased demand and have recommenced dividend payments.

Trading

This current trading period has improved significantly upon the previous one, despite the ongoing Brexit, United States – China trading hostilities and Covid-19 pandemic issues. Revenue on continuing operations was £10.7m (2020: £8.7m), underlying operating profit £0.9m (2020: £0.4m) and gross margin 35.5% (2020: 33.4%).

In February 2021, the Group sold Interpack Limited and Coral Products (Mouldings) Limited to IPL Limited for a consideration of £7.8m. The Board believes that the Disposal provided the Company with the opportunity to crystallise an attractive return on invested capital with respect to the Sale Companies, reduce net debt and also to provide additional financial flexibility to further develop and support the recent progress of the Continuing Group. Following the Disposal, the Continuing Group will consist of Coral Products PLC, Tatra Rotalac Limited and Global One-Pack Limited. The Board believes there is potential to further develop the Continuing Group in terms of sales and profits. The net result was a profit after tax to the parent company of £2.5m and an increase in distributable reserves to £5.9m (2020: £3.4m). The Group used the funds to repay in full the £1m coronavirus business interruption loan (CBIL) and a £1.7m mortgage on the property at Haydock.

The proposed sale of the land and building at the Haydock site has now exchanged with completion expected in the first half of the new financial year, following the completion of the current roof replacement works.

In March 2021, the Group acquired 100% of the share capital of Customised Packaging Limited (CPL) for a net consideration of £1.2m. CPL designs, supplies and manufactures plastic products, using top-of-the-range sheet extrusion technology and vacuum forming capabilities to its network of blue-chip customers. This is a significant milestone for Coral as it expands further the Group's market coverage and product range.

The Group has reported a loss before taxation for the financial year of £0.3m (2020: £0.5m) on continuing operations. Across the Group, finance costs have remained static at £0.1m (2020: £0.1m) and depreciation at £0.4m (2020: £0.4m).

Chairman's Statement

Continued

Dividends

The Board remains committed to its long-term progressive dividend policy, which takes account of the underlying growth, whilst acknowledging the requirement for continuing investment and short-term fluctuations in profit.

The Board having considered the improved financial performance for the year ended 30 April 2021 paid an interim dividend of 0.5p on 28 May 2021. A final dividend is proposed of 0.5 pence per share with an ex-dividend date of 11 November 2021 and a record date of 12 November 2021. This final dividend will be paid on 30 November 2021.

Board Changes

Michael (Mick) Wood left with the sale of Coral Products (Mouldings) Limited and Interpack Limited in March 2021. At the same time Joe Grimmond became Executive Chairman.

Steve Barber joined as non-executive director in March 2021.

Chairman's Corporate Governance Statement

As Chairman of the Board, my role is to set the strategy for the company, monitor the ongoing performance of the companies within the Group to ensure that they are meeting our requirements and also identify potential acquisition targets.

In addition, my role also encompasses overseeing the functioning of the Board and its effectiveness and ensuring sound corporate governance practices are followed.

All the Directors of Coral believe strongly in the importance of good corporate governance for the creation of shareholder value over the medium to long-term and to engender trust and support amongst the Group's wider stakeholders.

I work with key executives throughout the organisation to instill good corporate governance practices in accordance with the Code.

In accordance with the changes to AIM Rule 26 the Company is now applying the revised QCA Corporate Governance Code published earlier in 2018.

The Board monitors our corporate governance practices and will always implement improvements which further enhance performance and/or benefit stakeholders.

Strategy

Our Board continuously reviews business performance alongside market conditions to make sure that we take the correct strategic decisions for each of our businesses. The Board recognises fully that it has been tasked with delivering enhanced shareholder value. The challenges facing the Board relate to managing the continued growth of the Group through the uncertainty and timelines surrounding UK Brexit and the coronavirus pandemic.

People

We are reliant on the expertise, professionalism and commitment of our people and thank them for their continued contribution to the business during a challenging year.

Chairman's Statement

Continued

Future Developments

Following on from the disposal of Coral Products (Mouldings) Limited, Interpack Limited, the Group have cash reserves of circa £3.8m as at the year end. After the sale of the Haydock property during the current financial year, the Group will have cash reserves of circa £6.5m after the payment of dividends.

The Board is continuing to consider the most effective use of the very strong cash rich asset base. We recognise that in today's low interest rate climate cash is a poor substitute for profit earning assets.

Outlook

Whilst we have confidence in our development strategy and the prospects of the Group, the very real uncertainties over Brexit and the coronavirus pandemic are a cause for concern.

The Group continues with its strategic progress of increasing focus on value-added and innovative products, particularly in the telecommunications, rail industry, shutters, extrusion and vacuum forming areas. Our aim is to build a significant plastic moulding business with a bias towards using recycled materials.

Our Group is facing macro-economic challenges that are unprecedented, but we believe that our balance sheet and margins mean that we can mitigate the effects. The crisis will pass at some point. At that time, it will be the work we do to move the business forward that will determine our future success. So, our priorities being clear: (1) to do all we can to keep our workplaces as safe as possible for staff, (2) secure the cash resources of the business and (3) continue to develop our product ranges throughout the next financial period.

We have enjoyed a strong start to our current financial year and we look forward to a satisfactory outturn for the year given the prevailing conditions.

Joe Grimmond
Chairman
4 October 2021

Strategic Report

Review of the Business

The Group is required to produce a Strategic Report complying with the requirements of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

An overview of the Group's strategy and business model is set out on pages 1 to 2, and together with the Chairman's Statement on pages 3 to 5 form part of this Group's Strategic Report. This incorporates a review of the Group's activities, its business performance, and developments during the year as well as an indication of likely future developments.

Our business model is designed to bridge the gap between reliable, quality assured products made with regulated materials and our customers' requirements. Key to the success of our business model is our experience and knowledge of the materials and processes we handle and our ability to service customer demands with product innovation.

FINANCIAL REVIEW

Income Statement

Group revenues for the year ended 30 April 2021 for the continuing operations were £10.7m (2020: £8.7m). Of this, sales for extrusion were £6.1m (2020: £6.0m), sales for trigger sprays and nozzles were £4.1m (2020: £2.7m) and sales of vacuum formed products were £0.5m (2020: £nil).

The Group has reported a loss before taxation on continuing operations for the financial year of £0.3m (2020: £0.5m). Across the Group, finance costs have remained static at £0.1m (2020: £0.1m) and depreciation at £0.4m (2020: £0.4m) in line with the hold of spend on new, replacement and/or improvement of the assets of the Group throughout most of the financial period.

On continuing operations gross margins increased to 35.5% (2020: 33.4%), this resulted in a gross profit of £3.8m (2020: £2.9m). Underlying operating profit increased to £0.9m (2020: £0.4m) and underlying earnings before interest, tax, depreciation and amortisation increased to £1.3m (2020: £0.8m). Separately disclosed costs of £1.1m (2020: £0.3m) resulted from due diligence costs, intangibles amortisation, reorganisation costs, share-based payment charges, compensation for loss of office of senior management, acquisition costs on the purchase of Customised Packaging Limited and the disposal costs on the sale of Coral Products (Mouldings) Limited and Interpack Limited to IPL UK Limited.

Balance Sheet

Total shareholders' equity increased to £12.7m (2020: £12.1m), and net assets per share at 14.8 pence (2020: 14.7 pence).

Cash Flow

Net cash generated from operations was £1.5m (2020: £2.6m) with cash and cash equivalents being £3.8m (2020: £0.5m). As set out in note 26 the Group now has no net debt (2020: £8.0m) with the level of gearing decreasing from 66.0% to 0.0%. The Group has secured borrowing facilities totalling £3.0m. The borrowing facilities are held with Barclays Bank PLC and the Group continues to enjoy a positive relationship with its bank and has recently agreed a further renewal on the borrowing facilities to cover the period to September 2022.

Borrowing facilities are monitored against the Group's forecast requirements and the Group mitigates financial risk by staggering the maturity of borrowings and by maintaining undrawn committed facilities.

Strategic Report

Continued

Treasury Policies

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. No investments other than cash are currently permitted. Where appropriate, there may be balances held in Euros and US Dollars, but only as part of the Group's overall hedging activity.

The Group can be affected by movements in exchange rates due to raw material prices being established in foreign currencies and on its export sales. The Group is affected by movements between Sterling, Euro and US Dollars but has the ability to hedge any exposure on its sales by purchasing raw materials in Euros. Thus, it is able to mitigate partly its currency risks.

Cash deposits and financial transactions give rise to credit risk in the event that counterparties fail to perform under the contract. The Group regularly monitors the credit ratings of its counterparties and controls the amount of credit risk by adhering to limits set by the Board. The Group maintains debtor levels within the insured limits unless it has strong grounds for allowing increases. As a consequence of these controls, the probability of material loss is considered to be at an acceptable level.

Key Performance Indicators (KPIs)

KPIs have been set at Group level to allow the Board and shareholders to monitor the Group as a whole, as well as the operating businesses within the Group. The Group has financial KPIs which it monitors on a regular basis at Board level and, where relevant, at operational executive management meetings as follows:

On continuing operations	**2021**	2020
Group revenue	***£10.7m***	*£8.7m*
Gross margin	***35.5%***	*33.4%*
Operating loss	***£(0.2)m***	*£(0.3)m*
Loss before tax	***£(0.3)m***	*£(0.5)m*
Underlying earnings before interest, tax, depreciation and amortisation	***£1.3m***	*£0.8m*
Underlying operating profit	***£0.9m***	*£0.4m*
Gearing	***n/a***	*66.0%*

In addition, the Board monitors a number of non-financial indicators including customer satisfaction, product quality, employee attraction and retention, number of reportable accidents and energy footprint.

Strategic Report

Continued

Section 172 Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a)-(f) and forms the directors statement required under section 414CZA of the Companies Act 2006.

Directors' duties

As part of their induction, all Directors have been briefed on their duties with access available to professional advice from the Company's external legal advisors. The Directors fulfil their duties in part through a governance framework that includes delegation of certain day-to-day decision making to senior employees, principally the Managing Directors of each of the subsidiaries of the Group.

Risk Management

As the Group grows, its business and risk environment become increasingly complex. It is therefore vital to the Company's long-term success that it effectively identifies, evaluates, manages and mitigates the risks that it faces and that we continue to evolve its approach to risk management. Monthly Board meetings are conducted at which challenges and risks to the business are discussed and addressed in a timely manner. Focus for the 2020-21 financial year began with a maintain strategy as the Covid Pandemic progressed, the concentration being on cost reduction to match the disrupted sales growth, however following the disposal of Coral Products (Mouldings) Limited and Interpack Limited and recovery of the remaining Group, this was modified to a growth strategy.

Engaging with our shareholders

A small number of the Company's shareholders (which include members of the Company's Board) continue to be actively engaged within the business. The Board meet monthly throughout the year, and ad hoc, as necessary. The Board recognises the importance of continuing an effective and transparent dialogue with shareholders and ensuring that non-management shareholders understand and support the Group's strategy and objectives. At least annually the Group's strategy and plan for the forthcoming year is explained and discussed with shareholders with half-yearly reporting and updates for material issues as and when required.

Culture and environment

The Board recognises that integrating environmental, social and governance (ESG) considerations into the Group's investments is of paramount importance to the Group's long-term success and value is placed on managing the Company in a sustainable way. Working within the plastics industry can, and does, bring criticism as demonstrated by the many documentaries and news reports about plastic pollution on TV on a daily basis. The Groups investment strategies align with being a responsible manufacturer i.e. new machinery criteria includes the requirement for less energy and resources.

Covid-19 Pandemic

Throughout the Covid-19 pandemic we followed the government guidelines. All members of the teams were updated via briefs on regular occasions to ensure communications and adherence was achieved, this included the installation of barriers in offices, one-way systems for entering and leaving the buildings, extra wash and cleaning stations to keep our employees and visitors safe at our manufacturing sites and distribution centres. As key suppliers to the food, medical, telecommunications and transport we made the decision to keep our business operational whilst ensuring that as the Government Covid-19 guidelines subsequently changed we stuck to them rigidly.

Business relationships

The Company is committed to acting ethically and with integrity in all business dealings and relationships. Fostering business relationships with key stakeholders, customers, limited partners and suppliers is important to the Company's success. Many customers and suppliers have been aligned with the business for many years with, in the case of suppliers, access to at least two suppliers for our major materials.

The Board looks to implement and enforce effective systems and controls to ensure its supply chains are maintaining the highest standard of business conduct in line with best practice including in relation to anti-bribery and modern slavery. The employee handbook has recently been updated with all up-to-date relevant information and Personnel have been advised, and in some instances, trained accordingly as and when new legislation or Governmental advice is issued.

Strategic Report

Continued

Section 172 Statement (continued)

Being a relatively small company of just over 60 employees largely operating in two locations in the North West of the England, there is a high level of visibility regarding employee engagement and satisfaction. The UK based directors are able to monitor this engagement as they sit with and amongst the employees.

Risks and Uncertainties

The Group has identified various risks and uncertainties it faces, which include:

- Movements in commodity prices often caused by supply constraints or demand management.
- Loss of a key individual.
- Foreign exchange risk, particularly with regard to the Euro, as many of the Group's materials are purchased in Euros.
- Credit risk in ensuring payments from customers are received in full and on a timely basis.
- Legislative and regulatory risk as new requirements are being imposed on plastics businesses and in industry.
- UK Brexit risk of delays in supply of raw materials from Europe.
- Coronavirus pandemic risk of loss in sales.

The Group has taken appropriate steps to manage and control these risks, which include:

- Ensuring that current market prices are confirmed with industry price monitors and that purchases are based upon a well-researched understanding of the various grades and their capabilities for operational uses.
- The Group's future performance depends heavily on its ability to retain and attract the services of suitable personnel. The Group holds service contracts for its directors and senior management and periodically reviews performance, expectations and employment conditions.
- The implementation of a foreign exchange risk policy.
- Agreement of appropriate payment terms with customers including, where necessary, payment in advance.
- Taking a pro-active and leading role in ensuring that the Group's systems and procedures are adapted to ensure compliance with new or changing legislation or regulatory requirements.
- Brexit planning across the Group, mitigating lead times, increasing stock levels short term.
- Coronavirus planning across the Group, mitigating costs, furloughing staff as required to keep in line with production/sales needs.

The Group regularly reviews its commercial insurance programme and maintains an appropriate and adequate portfolio of insurance policies in line with the nature, size and complexity of the business.

The Group also continues to have in place a team of Board members whose on-going responsibility is to assess the issues which the Group would face should it experience a major and unforeseen disaster and to put in place clear actions to continue to operate successfully in such an event.

Diversity

Appointments within the Group are made on merit according to the balance of skills and experience offered by prospective candidates. Whilst acknowledging the benefits of diversity, individual appointments are made irrespective of personal characteristics such as race, disability, gender, sexual orientation, religion or age.

As a predominantly manufacturing Group, few women apply for positions within the production areas. However, women are well represented in other areas of the business and account for 22% of the Group workforce as at 30 April 2021.

Strategic Report
Continued

Diversity (continued)

Position	Male	Female	Total
Group Directors	4	1	5
Senior Managers	11	-	11
Other Employees	34	10	44
Total Employees	49	11	60

Social, Community and Human Rights

The Group endeavours to impact positively on the communities in which it operates. In particular the Group purchases raw materials from trusted suppliers who it recognises as obtaining the products through trusted, fair and sustainable methods.

Ethical concerns and human rights issues have always played an important role in the Company philosophy and the Group's ethical and social accountability statement details the standards of behaviour which are regarded as acceptable. Provision of a safe, clean working environment, free from discrimination, coercion and harassment is a basic right of all employees, which Coral Products expects as a minimum standard of its business partners. The Group is often audited by its customers to assess compliance with minimum acceptable standards, including ethical and human rights considerations.

Going concern

As explained fully in note 2 to the financial statements, after making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months following the approval of the financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

In March 2020 an outbreak of Covid 19 hit the UK and impacted business confidence in our sector. This resulted in a few months of significantly decreased trade as the country was forced into a lockdown. After the initial drop in sales the business has responded and is now back to trading at pre Covid levels. As presented in the balance sheet the Group has put its property up for sale, the proceeds of which will be used for future growth and increase working capital, this property sale exchanged on 30 April 2021 with completion expected during the first half of the new financial year following the completion of the roof works.

In September 2021, Customised Packaging Limited was added to the Group invoice discounting facility. At the same time the terms were renegotiated, the Group are now benefitting from lower interest rates. The directors have discussed with the bank who have advised that they see no reason that the facility will not be continued at the next annual renewal in September 2022.

This strategic report was approved by the board on 4 October 2021.

Sharon Tinsley

Finance Director

Directors and Advisers

Non-executive Directors

David Low, *Non-executive*

David was appointed on 4 September 2015. He has over 25 years of experience in investment management and management consultancy. He was a director of Manroy PLC until July 2015 when it was sold to FN Herstal SA for £16m. He is a shareholder in several private companies involved in sport and leisure, vending and telemetry services, brewing and retail estate.

Steve Barber, *Non-executive*

Steve was appointed on 18 March 2021. He brings with him a wealth of experience having worked in the packaging industry for more than 30 years, including for Jokey Plastik GmbH and HK Plastics BV, two major packaging manufacturers, from 1983 to 1990, before joining Fenton Packaging Limited, a leading distributor. He left Fenton in 2003 to co-found Interpack Limited and was a director of Interpack Limited, a subsidiary of the Company up until its disposal in March 2021. Steve was educated to degree level in polymers and rubber technology.

Executive Directors

Joe Grimmond, *Executive Chairman*

Joe was appointed in March 2011. He was previously Chief Executive of James Dickie PLC and Chairman of Widney PLC. Joe was appointed as non-executive Chairman at the AGM in 2011 and has fulfilled the role of Executive Chairman on numerous occasions throughout his time with Coral Products PLC. Mr Grimmond is a Fellow of the Association of Accounting Technicians.

Sharon Tinsley, *FCMA, Finance Director and Company Secretary*

Sharon was appointed in February 2017. She joined Coral Products as Group Financial Controller in December 2016. She has over 20 years of experience. She previously acted as Financial Controller of James Dewhurst Limited, prior to this she held accounting positions at Pets Choice Limited, Thames Water, Scott Health and Safety Limited and Uniqema Limited. Sharon is a Fellow of the Chartered Institute for Management Accountants.

Paul Freud, *Corporate Development Director*

Paul was appointed in July 2015. He is responsible for directing the business development activities and driving new sales growth by seeking market opportunities or acquisitions. Paul has over 20 years of management and leadership experience in the manufacturing industry. He is also the Chairman of Tatra Rotalac Limited, responsible for developing new and innovative product ranges for blue chip companies, including solutions for fibre optic broadband installations and rail infrastructure.

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Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 30 April 2021.

Results and Dividends

The results for the year are set out on page 31. This shows a Group profit after taxation of £0.5m (2020: £0.8m loss).

An interim dividend of 0.5p (2020: nil) amounting to £429,712 was paid on 28 May 2021.

A final dividend of 0.5p (2020: nil) per share is recommended in respect of the year ended 30 April 2021 to be paid on 30 November 2021 to shareholders on the register at the close of business on 12 November 2021. This has not been included within creditors as it was not approved before the year end.

A review of the Group's activities for the year and its future prospects is set out in the Chairman's Statement and Strategic Report. The financial risk management objectives and policies are detailed in note 4 to the financial statements.

Principal Activity

The principal activity of the Company and its subsidiaries is the manufacture of plastic injection, extrusion, vacuum formed and fabricated products and the reseller and distributor of a range of trigger sprays and nozzles. The Group also operates as a trade moulder for other UK Companies. It has been in operation since 1990, became a fully listed PLC in 1995 and moved to the AIM market in 2011.

Directors

During the year, the following changes in directors took place:

Michael (Mick) Wood left the business as CEO in March 2021.

Steve Barber was appointed as a non-executive director in March 2021.

In accordance with the Articles of Association, Steve Barber and David Low are the directors retiring by rotation and offering themselves for re-election at the AGM.

Directors' Interests in the Shares of the Company

The beneficial interests of the Directors in the shares of the Company were as follows:

	Ordinary shares of 1p each 30 April 2021 Number	**Ordinary shares of 1p each 30 April 2020 Number**
Joe Grimmond	**6,293,337**	5,893,337
Paul Freud	**2,098,333**	2,048,333
David Low	**1,080,000**	980,000
Mick Wood	**n/a**	223,078
Sharon Tinsley	**162,783**	162,783
Steve Barber	**2,000,000**	n/a
	11,634,453	9,307,531

Between the year-end date and the date of this report 150,000 shares were purchased by David Low on 24 June 2021 and 50,000 by Joe Grimmond on 23 July 2021.

Directors' Report

continued

Substantial Interests

As at 29 July 2021, the Company had been made aware of the following interests of over 3% (other than the holdings of directors listed above) in the ordinary shares of the Company:

	Number of shares	% of share capital
JIM NOMINEES LIMITED	7,890,127	9.51
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	7,796,364	9.40
RATHBONE NOMINEES LIMITED	6,844,225	8.25
LAWSHARE NOMINEES LIMITED	5,818,514	7.01
HARGREAVES LANSDOWN (NOMINEES) LIMITED	5,777,424	6.97
VIDACOS NOMINEES LIMITED	5,558,332	6.70
RENE NOMINEES (IOM) LIMITED	4,716,720	5.69
PERSHING NOMINEES LIMITED	4,415,441	5.32
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	2,929,682	3.53
ROCK (NOMINEES) LIMITED	2,633,994	3.18
HSDL NOMINEES LIMITED	2,597,905	3.13

Share Capital

At the 2020 Annual General Meeting, the Company was granted authority to purchase up to a maximum of 15% of its own shares. The authority expires at the conclusion of the forthcoming Annual General Meeting at which a special resolution will be proposed to renew the authority for a further year. Any shares purchased in accordance with this authority will be subsequently cancelled. During the financial year the company purchased 1,695,000 of its shares accounting for 2.0% of the total shares.

The Board of Directors

The Board's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board reviews the Group's strategic objectives and looks to ensure that the necessary resources are in place to achieve these objectives. The Board also sets the Group's values and standards and manages the business in a manner to meet its obligations to shareholders.

The Board meet regularly through the year, providing effective leadership and overall management of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of the Group's forecast and budget, major capital expenditure, risk management policies and approval of the financial statements. Formal agendas, papers and reports are sent to the Directors in a timely manner prior to the Board meeting.

The Directors keep their skill set up to date through membership of their respective professional bodies and as a result of interaction with other bodies with whom they work.

The Board delegates certain of its responsibilities to the Board Committees which have clearly defined terms of reference.

Remuneration Committee

The Remuneration Committee comprises Joe Grimmond (chairman) and David Low. The Committee is responsible for determining the Group's policy for the remuneration of the executive directors. It also considers the compensation commitments of its directors in the event of early termination of their service contracts.

Directors' Report

continued

Audit Committee

The Audit Committee is chaired by David Low. The executive directors may be requested to attend. In addition to an interim meeting, the Audit Committee meets at the year-end with the external auditors who have direct access to the non-executive directors for independent decisions. The Audit Committee may examine any matters relating to the financial affairs and risk issues affecting the Group which includes reviewing the accounts, announcements, internal controls, accounting policies, and appointment of the external auditor.

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 enable them to ensure that its 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Environment and Sustainability

The key risk facing the Group in this area relates to reducing the environmental impact of the business with a focus on reducing waste and energy usage. A number of operational changes have been implemented to reduce our environmental impact.

Product Safety

The quality and safety of the products is of the highest importance and any failure in standards would significantly affect the confidence of our customers. There are stringent controls in place to ensure product safety and integrity. Product performance is monitored regularly to ensure compliance with standards.

Directors' Report

continued

Insurance

The Group has in place a Directors and Officers liability insurance policy that provides appropriate cover in respect of legal action brought against its directors.

Creditor Payment Policy

The policy of the Group is to agree the terms of payment with suppliers when agreeing the conditions of supply of goods and services. Suppliers are made aware of the terms of payment and payments are made in accordance with terms agreed between the two parties.

Shareholder Relations

The importance of maintaining good relations with individual and institutional investors is recognised by the Board. This includes meetings on a regular basis between the executive directors and institutional and private investors at relevant times. The Company encourages shareholder attendance at the Annual General Meeting, at which the Chairman and Board of Directors are available to answer any questions on the previous year's results and on current year trading.

Health and Safety

Coral Products PLC recognises and accepts its responsibilities to carry out its business in a safe manner. It is committed to the safety of its employees and other people who may be affected by its activities.

It is therefore the Group's policy to do all that is reasonably practicable to protect its employees and others from injury, prevent damage to the Group facilities and other facilities in which it works.

The Group will:

- As a minimum comply with the requirements of all current relevant legislation, approved codes of practice and good working practices;
- Provide and maintain as far as is reasonably practicable, safe plant, equipment and systems of work;
- Maintain good general working conditions by the provision of adequate facilities such as heating, lighting and ventilation;
- Provide personal protective equipment where appropriate;
- Maintain a continuing interest in health, safety and welfare as they affect the Group's activities, and in particular inform, consult and involve employees wherever possible;
- Provide such information, instruction, training and supervision that is necessary to ensure so far as is reasonably practicable, the health and safety of our employees and others who may be affected by the work we do; and
- Take measures to protect all persons, whether employees or not, from risks to their health and safety.

Notwithstanding the above, every employee must consider the prevention of accidents as a prime personal responsibility.

Directors' Report
Continued

Environmental, Social and Governance
The Group is committed to responsible business practices, good corporate governance and sound risk management. The Board promotes the Group's corporate culture and receives feedback from employees on regular visits to operating sites and interaction with local staff during this time.

Our stakeholder relationships underpin our success and inform our decision making on Environmental, Social and Governance (ESG) matters, now a widely recognised term for what we have always valued – doing the right thing. As a business our responsibilities remain unchanged. As a Group we will:

- Act in an ethical manner;
- Recognise, respect and protect human rights;
- Develop positive relationships with our suppliers and business partners;
- Recruit and retain responsible employees;
- Take responsibility for our impact on the environment;
- Deliver value to our customers;
- Provide support through donations to charities and the local community.

Our ESG Committee demonstrates our commitment to our local and wider community. As well as working alongside local authorities to provide local jobs for local people, we strive to actively support those in our community through sponsorship events and volunteering opportunities.

Our Safety-First Core Value and Employee Assistance Programmes ensure the wellbeing of our employees and creates a safe and comfortable work place environment.

We actively consider ESG when selecting suppliers by ensuring that all companies in our supply chain work towards the same ethical trading standards that we demonstrate.

We are committed to Environment programs and energy reductions for a sustainable future.

Employment and Human Rights
The Group is committed to providing and promoting equal opportunities for staff and job applicants. We are committed to creating a working environment which enables everyone to work to the best of their skills and abilities and without the threat of discrimination or harassment arising. As a Group we pride ourselves on treating all members of staff equally, irrespective of their or their "Associated Persons" gender, sex, pregnancy or maternity status, marital status, race, colour, religion or belief, disability, age, sexual orientation, gender reassignment ("Protected Characteristics"). An Associated Person may be a member of staff's family, friends or other dependants.

All employees are required to comply with their obligations to promote a working environment free from discrimination. Employees are expected to treat their colleagues, customers and members of the public as they would expect to be treated and respect the Protected Characteristics of others.

Anti-Slavery and Human Trafficking
Coral Products PLC has a zero-tolerance approach to modern slavery and are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

The Group is also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

Directors' Report

Continued

Auditor

In accordance with Section 489 of the Companies Act 2006 a resolution will be proposed at the Annual General Meeting that BDO LLP be re-appointed as auditor.

Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant information of which the Group's auditor is unaware; and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Post Balance Sheet Events

The invoice discounting facility was reviewed in September 2021 and renewed for a further 12 months.

Corporate Governance Code

High standards of corporate governance are a key priority for the Board and provide the framework on which it seeks to deliver long term improvement in shareholder value. The responsibility for corporate governance rests with the Board as a whole and policies are regularly reviewed and adapted as necessary to changing circumstances and feedback from both internal and external sources.

The Group has adopted the QCA (Quoted Companies Alliance) Code in compliance with AIM Rule 26 which requires AIM companies to report on corporate governance from 28 September 2018. The Group is small and has limited resources and therefore has formulated a corporate governance policy around the principles contained in the QCA corporate governance code which is appropriate for smaller companies.

The QCA code was revised at the end of April 2018 and the Board has set out on the Group's website (www.coralproducts.com) and in this report how it addresses the ten principles of the new code.

Research and Development

During the year, the Group has spent £158,000 (2020: £969,000) on research and development.

Annual General Meeting

The AGM will be held on Wednesday 27 October 2021 in the offices of Tatra Rotalac, Southmoor Road, Wythenshawe, Manchester, M23 9DS. The Notice of Meeting is contained on pages 74 to 76 of this report. At the meeting, resolutions will be prepared to receive the audited accounts and approve the Remuneration Report, to elect directors and to re-appoint BDO LLP as auditor. In addition, shareholders will be asked to renew both the general authority of the directors to issue shares and to authorise the directors to issue shares without applying the statutory pre-emption rights. The directors have no present intention of exercising the authority if granted, but consider it will be commercially useful to have the authority should they need to allot shares for any purpose in the future.

By order of the Board

S Tinsley

Company Secretary

4 October 2021

Directors’ Remuneration Report

Introduction

Although not required to do so by the AIM rules, the directors have decided to provide certain directors’ remuneration disclosures. A resolution to approve the report will be proposed at the Annual General Meeting. The auditor reports to the shareholders on the “auditable part” of the Directors’ remuneration report and to state whether in their opinion that part of the report has been properly prepared in accordance with Section 420 of the Companies Act 2006. The report has therefore been divided into separate sections for audited and unaudited information.

Unaudited information

Remuneration Committee

The Group has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code. The remuneration committee now comprises Joe Grimmond (Chairman) and David Low.

The performance measurement of the executive directors and the determination of their annual remuneration package are undertaken by the Committee. The remuneration of the non-executive directors is determined by the Board. No director plays a part in any discussions about his own remuneration.

Remuneration Policy

Executive remuneration packages are designed to attract, motivate and retain directors of the high calibre needed to progress and develop the Company and to reward them for enhancing value to shareholders. There are three main elements of the remuneration package for executive directors:

- Basic annual salary and benefits.
- Pension contributions.
- Share options.

Basic Salary

An executive director’s basic salary is determined by the Remuneration Committee prior to the beginning of each year and when an individual changes position or responsibility. In deciding appropriate levels, the Committee considers the Group as a whole and by reference to other companies in the media and manufacturing sectors. In addition to basic salary, the executive directors receive pension contributions and certain benefits-in-kind, principally medical insurance.

Pension Contributions

The executive directors have individual pension arrangements in the form of personal pension plans. The Group makes a contribution at a rate of 12% of basic salary towards funding each director’s pension plan.

Performance Bonus

There is a performance bonus in place. Additionally, the remuneration committee is empowered to make awards for special circumstances if appropriate.

Share Options

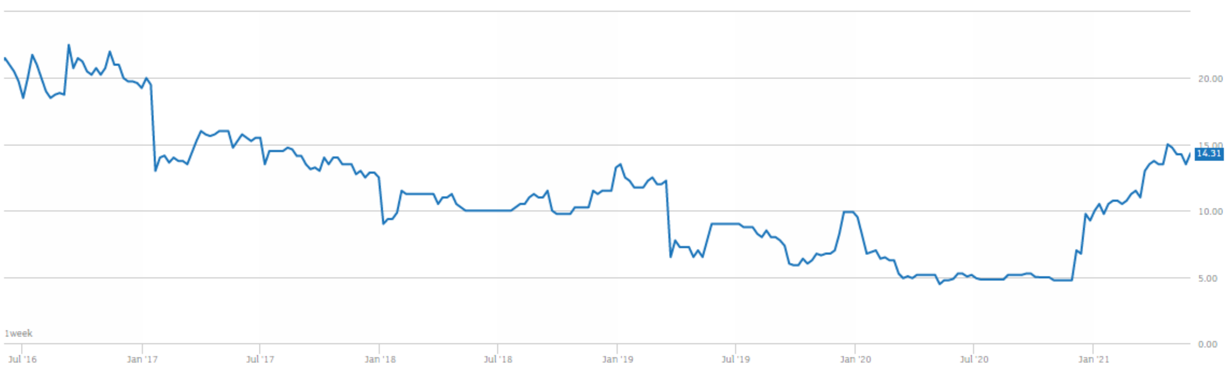
No share options were exercised during the year (2020: Nil).

Directors' Remuneration Report

continued

Performance Graph

The graph below shows the Group's share price movement over the last five years.



Directors' Contracts

The Company's policy is that executive directors should have contracts with an indefinite term providing for a maximum of twelve months' notice. The details of the executive directors' contracts are summarised as follows:

	Date of contract	Notice period
Paul Freud	July 2015	12 months
Sharon Tinsley	February 2017	6 months

Non-Executive Directors

The non-executive directors are required to submit themselves for re-election every year and the Board believes this to be appropriate in the circumstances. The non-executive directors have specific terms of engagement and their remuneration is determined by the Board based on a review of fees paid to non-executive directors of similar companies and reflects the time commitment and responsibilities of each role. The current basic annual fee payable to the senior non-executive director is £27,000.

The Board met 11 times during this financial period with 100% attendance from all Directors.

Directors' Remuneration Report

continued

Audited information

Directors' Remuneration

The total amounts paid for Directors' remuneration was as follows:

	2021 Executive £'000	2021 Non-executive £'000	2021 Total £'000	2020 Total £'000
Emoluments	**612**	**96**	708	379
Pension contributions - defined contribution scheme	**27**	**-**	27	21
Share based payment	**-**	**-**	-	20
	639	**96**	735	420

Emoluments – Executive Directors

	2021 Basic salary £'000	2021 Bonuses £'000	2021 Compensation for loss of office £'000	2021 Benefits-in-kind £'000	2021 Pension £'000	2021 Share based payment £'000	2021 Total £'000	2020 Total £'000
Paul Freud	**97**	**28**	**-**	**-**	**-**	**-**	**125**	99
Sharon Tinsley	**67**	**53**	**-**	**1**	**15**	**-**	**136**	79
Mick Wood	**100**	**3**	**150**	**1**	**12**	**-**	**266**	166
Joe Grimmond	**12**	**100**	**-**	**-**	**-**	**-**	**112**	-
	276	**184**	**150**	**2**	**27**	**-**	**639**	344

Emoluments – Non-executive Directors

	2021 £'000	2020 £'000
David Low	**52**	27
Steve Barber (joined the board on 18 March 2021)	**4**	-
Joe Grimmond (May 2020 to February 2021)	**40**	49
	96	76

By order of the Board

Joe Grimmond

Chairman of the Remuneration Committee

4 October 2021

Audit Committee Report

During the year the Audit Committee met 2 times and there were also meetings between the Audit Committee Chair, the Group Finance Director and the external auditor.

The Audit Committee discussed the scope and key audit matters before the commencement of the current audit.

Financial Reporting

The Committee has reviewed with both management and the external auditor the more significant areas of judgement and the appropriateness and application of the Group's accounting policies.

The Committee reports to the Board on whether the accounts are a comprehensive review of the current year's activity.

Risk management and internal control

The Audit Committee has overall responsibility for the monitoring of internal controls, approving accounting policies and agreeing the treatment of significant accounting issues.

The consideration and documentation of risks and opportunities is undertaken on an annual basis as part of the budgeting process which the full Board take part in. These matters are then monitored and adapted as required throughout the year by the means of regular management meetings and scheduled conference calls between the Executive Directors and the divisional management teams. The annual insurance renewal provides a further opportunity to assess risks and provide cover in areas where risk mitigation is not possible, or levels of risk are significant.

The Board reviews monthly financial performance against budgets and forecasts and monitors bank facilities and other treasury functions with any policy changes approved by the Board.

The Audit Committee receives feedback from the external auditors on areas of risk and accounting procedures which are used in adapting internal control processes as required.

The Committee reviews any proposed due diligence of acquisition targets and the selection of the professional firm carrying out the work.

Audit Independence

The Committee is responsible for making recommendations to the Board on the appointment of the external auditor and for non-audit services such as taxation and acquisition due diligence.

The Chair of the Committee met with the external audit partner to discuss independence before the commencement of the current year's audit.

The Audit Committee Report has been approved by the Board and signed on its behalf by:

David Low
Chairman of the Audit Committee
4 October 2021

Independent Auditor's Report to the Members of Coral Products PLC

Qualified Opinion on the financial statements

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Coral Products PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2021 which comprise the Group income statement, the Group statement of comprehensive income, the Group and parent company balance sheets, the Group and parent company statements of changes in shareholders' equity, the Group and parent company cash flow statements and 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for qualified opinion

For the year ended 30 April 2020, due to the global COVID-19 pandemic, we were unable to attend physical inventory counts across the Group. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 April 2020 of £3,368,000. Consequently, we were unable to determine whether any adjustments to this amount at 31 April 2020 were necessary or whether there was any consequential effect on the cost of sales for the year ended 31 April 2021. In addition, were any adjustment to the cost of sales balance be required, the strategic report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's business plan for at least the next 12 months, which is also used as a basis for the discounted cash flow model in the impairment assessment of goodwill and other non-current assets. These forecasts were based on the continuing operations of the Group. The Directors also performed sensitised stressed forecasts, including a reverse stress test to identify the point at which available cash facilities would run out. We examined these cash flow forecasts as well as considered the downside sensitivities to these;
- Challenging assumptions used in the forecast period by considering available evidence, including recent performance post the impact of Covid-19, as well as past trading performance, to support these assumptions;
- Confirming that the annual renewal of the invoice discounting facility has occurred; and
- Review of the wording of the going concern disclosures and assessment of consistency with forecasts.

Independent Auditor's Report to the Members of Coral Products PLC

Continued

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

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

Overview

<table>
<tr><td>Key audit matters</td><td>
<table>
<tr><th></th><th>2021</th><th>2020</th></tr>
<tr><td>1. Impairment of goodwill and other intangible assets</td><td>✓</td><td>✓</td></tr>
<tr><td>2. Acquisition accounting</td><td>✓</td><td></td></tr>
<tr><td>3. Disposal accounting</td><td>✓</td><td></td></tr>
<tr><td>4. Inventory valuation and existence</td><td>✓</td><td>✓</td></tr>
<tr><td>5. Going concern and Covid-19 uncertainty</td><td></td><td>✓</td></tr>
</table>
Going concern and Covid-19 were not considered key audit matters for financial year 2021 as the Group no longer has a high gearing ratio. The Group no longer has a mortgage previously held with Barclays. In addition, the loss making subsidiaries were disposed of during the year. The Group has a healthy cash balance in comparison to prior years.
</td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£150k (2020: £111k) based on 0.75% (2020: 0.5%) of revenue from continuing and discontinued operations.</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we determined that there were five (2020: five) significant components for the purposes of the Group audit, of which two of these were disposed of during the year. The audit of all of the significant components was performed by BDO LLP and a full scope audit was performed in each case. The audit of the two disposed components entailed a full audit of the profit and loss account up to the date of the disposal and audit of the disposal accounting.

In relation to the remaining non-significant components, we performed audit procedures on specific accounts within those components that we considered had the potential for the greatest impact on the significant accounts in the financial statements, either because of the size of these accounts or their risk profile.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Impairment of goodwill and other intangible assets	As described in Note 2 (Accounting policies), Note 14 (Goodwill) and Note 15 (Other intangible assets), the Group has goodwill and intangible assets, which requires management to review these balances for impairment at least annually. There is a high degree of management judgement and assumptions required in assessing the value in use of the Cash Generating Units (“CGU”) to which the Goodwill and Intangible assets are allocated and therefore determining any potential impairments. We therefore identified impairment of goodwill and other intangible assets as a key audit matter.	We obtained the impairment analysis performed by management for each CGU. We tested management’s impairment analysis for each CGU for logical and arithmetic accuracy and to check that it has been undertaken in accordance with the requirements of the accounting standards. We performed procedures to obtain an understanding of the underlying assumptions made by management. The key assumptions included: • future trading projections and cash flow forecasts; • the discount rate applied; and • the long-term growth rate. The reasonableness of these key assumptions was tested through reviewing the Group’s detailed calculations and challenging the methodology applied in preparing the trading and cash flow forecasts. This was done by engaging BDO experts to assist us in assessing the reasonableness of the underlying assumptions and the discount rates applied. This enabled us to check that the directors had adopted reasonable assumptions in each circumstance. We also reviewed the sensitivity analyses prepared by management to understand the relative impact of changes in the key assumptions within the impairment models, as well as to check that management’s disclosure of sensitivities (included in Note 14) in respect of the impairment review was appropriate. **Key observations:** We observed that there was sufficient headroom when comparing the value in use to the net carrying value for all cash generating units. Based on the work performed we concur with management’s view that there is no impairment required over the cash generating units.

Independent Auditor's Report to the Members of Coral Products PLC

Continued

Key audit matter		How the scope of our audit addressed the key audit matter
Acquisition accounting	As described in note 13, the Group acquired a new subsidiary, Customised Packaging Limited during the year. We identified a significant risk of material misstatement in the application of accounting requirements of IFRS 3 *Business Combinations*. Significant judgements are involved specifically around any fair value adjustments on acquisition and the purchase price allocation ("PPA") exercise. This was therefore considered a key audit matter.	We obtained the acquisition workings and the relevant PPA. We tested a sample of items from the acquisition balance sheet to ensure cut off between the pre-acquisition and post-acquisition period had been correctly performed. We also agreed a sample of transactions from the acquisition balance sheet to supporting documentation to gain assurance over the opening position. Management had engaged experts to value the intangible assets on acquisition. BDO Valuations experts reviewed the inputs and assumptions used by the management's expert in determining the value of the intangible assets, together with the mechanics of the calculations performed, in accordance with the Business Combinations element of IFRS 3. We checked that the treatment of deal fees and acquisition costs had been correctly allocated to the profit and loss account, not amounts capitalised as debt or equity. We considered the amount of contingent consideration (earn outs) by comparing the details of the SPA with current trading analysis of this CGU. We re-performed the calculation of the resulting investment and goodwill balance to ensure in line with accounting requirements of IFRS 3 *Business Combinations*. **Key observations:** We concluded that the significant judgements and assumptions used in the calculation of intangible assets on acquisition were reasonable and that the final workings provided by management were in line with the accounting requirements of IFRS 3 *Business Combinations*.
Disposal accounting	As described in note 13, The Group sold 100% of the voting equity instruments of Coral Products (Mouldings) Limited and Interpack Limited. Due to the significance of the disposals, we identified a significant risk of material misstatement in the application of IFRS 5 Non-current assets held for sale and *Discontinued Operations.* There is a risk that the disclosures in the financial statements do not contain all information required by the standards. This was therefore considered a key audit matter.	We reviewed the sale and purchase agreements entered into and used these to assess the appropriateness of the accounting treatment. We tested the balance sheets at the relevant date of disposal to ensure cut off around the sale was correctly treated. We also ensured any disposal adjustments had been correctly considered by management. We verified the disposal accounting by checking that costs of disposal had been included and any deferred consideration was recognised appropriately. We also ensured the sale proceeds had been received into bank. We checked that the disclosures in respect of the disposals in the financial statements were adequate and in line with accounting standards. **Key observations** Based on the procedures we performed, the disposal accounting and associated disclosures are considered to be appropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Inventory valuation and existence	As described in Note 2 (Accounting policies), Note 18 (Inventories) the Group carries inventory at the lower of cost and net realisable value. Judgement is required to assess the appropriate level of provisioning for items which may be sold at a value below cost as a result of a reduction in consumer demand, age of items held in inventory, and/or new products being developed that render inventory items obsolete. Such judgements include management's expectations for future sales. A significant risk was identified in relation to inventory valuation for items held within the subsidiary undertaking Tatra Rotalac Limited, given inventory count variances and significant inventory write-downs in previous years.	We attended stock counts at year end. For finished goods and work in progress (WIP) we: • Reviewed management's rationale and supporting calculations for the valuation methodology adopted; • Considered whether sufficient overhead was capitalised in the cost of inventory, as well as costs of components; • Verified that inventory was carried at the lower of cost and net realisable value (NRV) by way of testing post year-end sales of inventory items. Reviewed and challenged management's inventory provisioning methodology; and assessed whether an adequate provision has been made by reviewing usage of raw materials and sales of finished goods, with specific consideration given to slow moving or obsolete inventory lines. We reviewed whether appropriate controls have been introduced to mitigate the further inventory write-offs identified in previous years. **Key observations** Based on the work performed we did not identify any issues over management's judgements in respect of inventory valuation. An adequate provision has been made and no further write-offs were identified. We did not identify any material misstatements with regards to existence and valuation of inventory.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Independent Auditor's Report to the Members of Coral Products PLC

Continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2021 £	2020 £	2021 £	2020 £
Materiality	150,000	111,000	112,000	88,000
Basis for determining materiality	0.75% of revenue	0.5% of revenue	Capped at 75% of Group	Capped at 80% of Group
Rationale for the benchmark applied	The total revenue from continuing and discontinued operations has been used as a benchmark in the determination of materiality. Revenue is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance used by shareholders.			
Performance materiality	105,000	77,000	78,000	61,000
Rationale for the benchmark applied	Performance materiality has been set at 70% (2020: 70%) of Group materiality. In setting the percentage we have considered the level and nature of misstatements noted in previous years. Whilst we noted some misstatements in previous years' audits these were mostly on specific judgemental areas rather than 'ordinary transactions' therefore we considered 70% to be appropriate.			

Component materiality

Our audit work on each component was executed at levels of materiality applicable to each individual entity which was lower than Group materiality. Component materiality ranged from £40,000 to £112,000. In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £7,500 (2019: £5,550). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning inventory quantities of £3,368,000 held at the prior year ended 31 April 2020. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales or profit for the year relating to discontinued operations, it may be materially misstated for the same reason.

Independent Auditor's Report to the Members of Coral Products PLC

Continued

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	Arising solely from the limitation on the scope of our work relating to inventory at the prior year end, referred to above: • we have not obtained all the information and explanations that we considered necessary for the purpose of our audit. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Members of Coral Products PLC

Continued

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the laws and regulations applicable to the Group and accumulated knowledge of the Group and the sectors in which it operates we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, international accounting standards, the UK Companies Act 2006 and the AIM Rules; and industry related such as compliance with health and safety legislation, employment law and taxation legislation. All team members were briefed to inform them of any risks in respect of fraud and non-compliance with relevant laws and regulations in relation to their work. We obtained an understanding of the control environment in monitoring compliance with laws and regulations, enquired with management regarding matters pertaining to laws and regulations during the year, and reviewed any relevant correspondence arising to ensure these had been considered appropriately.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, revenue being recorded in the correct period around the year end and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the inventory provisions and impairment of goodwill to identify any potential bias (as described in the key audit matters section above);
- Detailed testing of a sample of revenue items for all significant components to ensure they were accounted for in the correct period;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Review of minutes of Board meetings throughout the period, to identify any inconsistencies with our audit work or matters of which we needed to be aware.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Coral Products PLC

Continued

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
4 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Group Income Statement

for the year ended 30 April 2021

	Note	2021 £'000	2020 Restated £'000
Revenue	5	**10,714**	8,703
Cost of sales		**(6,913)**	(5,794)
Gross profit		**3,801**	2,909
Operating costs			
Distribution expenses		**(761)**	(554)
Administrative expenses before impairment and other separately disclosed items		**(2,173)**	(1,998)
Other separately disclosed items	6	**(1,072)**	(343)
Goodwill impairment	6	**-**	(350)
Administrative expenses		**(3,245)**	(2,691)
Operating loss	7	**(205)**	(336)
Finance costs	8	**(111)**	(127)
Loss for the financial year before taxation		**(316)**	(463)
Taxation	10	**76**	82
Loss for the financial year attributable to the equity holders of the parent on continuing operations		**(240)**	(381)
Profit/(loss) on discontinued operations	13	**715**	(440)
Profit/(loss) for the financial year attributable to the equity holders of the parent		**475**	(821)
Basic and diluted earnings loss per ordinary share - continuing operations	11	**(0.29)p**	(0.46)p
Basic earnings per ordinary share - discontinued operations	11	**0.86p**	(0.53)p
Diluted earnings per ordinary share – discontinued operations	11	**0.84p**	(0.53)p

Group Statement of Comprehensive Income

for the year ended 30 April 2021

	2021 £'000	2020 £'000
Profit/(loss) for the financial year	**475**	(821)
Total other comprehensive profit/(loss)	**-**	-
Total comprehensive income/(loss) for the year attributable to equity holders of the parent	**475**	(821)

The result for the year ended 30 April 2020 has been restated to reflect the change in continuing and discontinued operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance Sheets

as at 30 April 2021

Company reference: **02429784**

		Group		Parent Company	
		As at 30 April	As at 30 April	**As at 30 April**	As at 30 April
		2021	2020	**2021**	2020
	Note	**£'000**	£'000	**£'000**	£'000
ASSETS					
Non-current assets					
Goodwill	14	**1,945**	5,145	**-**	-
Other intangible assets	15	**1,243**	1,124	**-**	-
Property, plant and equipment	16	**630**	2,790	**-**	2,520
Right of use assets	17	**1,496**	4,365	**-**	-
Investments in subsidiaries	13	**-**	-	**7,422**	10,951
Total non-current assets		**5,314**	13,424	**7,422**	13,471
Current assets					
Inventories	18	**1,828**	3,368	**-**	-
Trade and other receivables	19	**4,453**	4,931	**1,608**	39
Cash and cash equivalents		**3,843**	453	**2,829**	12
Total current assets		**10,124**	8,752	**4,437**	51
Assets held for sale	21	**2,500**	2,520	**2,500**	-
LIABILITIES					
Current liabilities					
Term loan	22	**-**	-	**-**	1,765
Other borrowings	22	**1,353**	2,978	**-**	-
Lease liabilities	22	**459**	1,191	**-**	-
Trade and other payables	20	**2,039**	3,749	**638**	677
Total current liabilities		**3,851**	7,918	**638**	2,442
Liabilities on assets held for sale	21	**-**	1,765	**-**	-
Net current assets/(liabilities)		**8,773**	1,589	**6,297**	(2,391)
Non-current liabilities					
Lease liabilities	22	**1,035**	2,509	**-**	-
Deferred tax	10	**315**	398	**-**	-
Total non-current liabilities		**1,350**	2,907	**-**	-
NET ASSETS		**12,737**	12,106	**13,721**	11,080
SHAREHOLDERS' EQUITY					
Share capital	25	**859**	826	**859**	826
Share premium		**5,621**	5,288	**5,621**	5,288
Treasury shares		**(218)**	-	**(218)**	-
Other reserves		**1,567**	1,567	**1,567**	1,567
Retained earnings		**4,908**	4,425	**5,892**	3,399
TOTAL SHAREHOLDERS' EQUITY		**12,737**	12,106	**13,721**	11,080

Balance Sheets

continued

An income statement is not provided for the parent Company as permitted by section 408 of the Companies Act 2006. The profit dealt with in the financial statements of Coral Products PLC was £2,485,000 (2020: £1,388,000 loss).

The financial statements on pages 31 to 72 were approved by the Board of Directors on 4 October 2021 and were signed on its behalf by:

Joe Grimmond
Director

Sharon Tinsley
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

for the year ended 30 April 2021

	Note	Called Up Share Capital £'000	Share Premium Reserve £'000	Treasury Shares £'000	Other Reserves £'000	Retained Earnings £'000	Total Equity £'000
Group							
At 1 May 2019		826	5,288	-	1,567	5,232	12,913
Loss for the year		-	-	-	-	(821)	(821)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(821)	(821)
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	14	14
Dividend paid	12	-	-	-	-	-	-
At 1 May 2020		**826**	**5,288**	**-**	**1,567**	**4,425**	**12,106**
Profit for the year		-	-	-	-	475	475
Other comprehensive loss		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	475	475
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	8	8
Issue of new shares		33	333	-	-	-	366
Purchase of treasury shares		-	-	(218)	-	-	(218)
Dividend paid	12	-	-	-	-	-	-
At 30 April 2021		**859**	**5,621**	**(218)**	**1,567**	**4,908**	**12,737**

Statement of Changes in Shareholders' Equity

continued

	Note	Called Up Share Capital £'000	Share Premium Reserve £'000	Treasury Shares £'000	Other Reserves £'000	Retained Earnings £'000	Total Equity £'000
Parent Company							
At 1 May 2019		826	5,288	-	1,567	4,773	12,454
Loss for the year		-	-	-	-	(1,388)	(1,388)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(1,388)	(1,388)
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	14	14
Dividend paid	12	-	-	-	-	-	-
At 1 May 2020		**826**	**5,288**	**-**	**1,567**	**3,399**	**11,080**
Profit for the year		-	-	-	-	2,485	2,485
Total comprehensive profit		-	-	-	-	2,485	2,485
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	8	8
Issue of new shares		33	333	-	-	-	366
Purchase of treasury shares		-	-	(218)	-	-	(218)
Dividend paid	12	-	-	-	-	-	-
At 30 April 2021		**859**	**5,621**	**(218)**	**1,567**	**5,892**	**13,721**

The accompanying accounting policies and notes form an integral part of these financial statements.

Cash Flow Statements

for the year ended 30 April 2021

	Note	Group 2021 £'000	Group 2020 £'000	Parent Company 2021 £'000	Parent Company 2020 £'000
Cash flows from operating activities					
(Loss)/profit for the year		**475**	(821)	**2,485**	(1,389)
Adjustments for:					
Depreciation of property, plant and equipment	16	**487**	1,032	**-**	-
Depreciation of right of use assets under IFRS16	17	**666**	681	**-**	-
Goodwill impairment	14	**-**	350	**-**	-
Amortisation of intangible assets	15	**284**	277	**-**	-
Share based payment charge	24	**8**	14	**-**	-
Profit on disposal of subsidiary	13	**(1,133)**	-	**(3,039)**	-
Impairment of investment	13	**-**	-	**(383)**	1,388
Interest payable	8	**329**	439	**70**	70
Taxation charge/(credit)	10	**(48)**	-	**(2)**	-
Operating cash flows before movements in working capital		**1,068**	1,972	**(869)**	69
(Increase)/decrease in inventories		**(382)**	137	**-**	-
Decrease/(increase) in trade and other receivables		**433**	563	**(1,354)**	444
Increase/(decrease) in trade and other payables		**422**	(87)	**(40)**	(770)
Cash generated by operations		**1,541**	2,585	**(2,263)**	(257)
UK corporation tax received		**299**	-	**299**	-
Net cash generated from/(used in) operating activities		**1,840**	2,585	**(1,964)**	(257)
Cash flows from investing activities					
Net cash on disposal of subsidiary	13	**7,771**	-	**7,771**	-
Acquisition of subsidiary	13	**(937)**	-	**(937)**	-
Acquisition of property, plant and equipment	16	**(454)**	(322)	**-**	-
Net cash generated from/(used in) investing activities		**6,380**	(322)	**6,834**	-
Cash flows from financing activities					
New bank borrowings raised	26	**1,000**	500	**1,000**	500
New lease liabilities	26	**-**	58	**-**	-
Interest paid on bank borrowings	26	**(70)**	(66)	**(70)**	(70)
Interest paid on invoice discounting		**(49)**	(69)		
Interest paid on lease liabilities	26	**(210)**	(304)	**-**	-
Repayments of bank borrowings	26	**(2,765)**	(188)	**(2,765)**	(188)
Repayments of obligations under lease liabilities	26	**(893)**	(1,180)	**-**	-
Purchase of treasury shares		**(218)**	-	**(218)**	-
Drawdowns on invoice discounting facility		**23,288**	27,064	**-**	-
Repayments of invoice discounting facility		**(24,913)**	(27,598)	**-**	-
Net cash used in financing activities		**(4,830)**	(1,783)	**(2,053)**	242
Net increase in cash and cash equivalents		**3,390**	480	**2,817**	(15)
Cash and cash equivalents at 1 May		**453**	(27)	**12**	27
Cash and cash equivalents at 30 April		**3,843**	453	**2,829**	12

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 30 April 2021

1. GENERAL INFORMATION

Coral Products PLC is a public limited Company ('Company') incorporated in the United Kingdom under the Companies Act 2006. The Company's ordinary shares are traded on the AIM (Alternative Investment Market) market. The consolidated financial statements of the Group as at and for the year ended 30 April 2021 comprise the Company and its subsidiaries (together referred to as the 'Group'). The address of the registered office is given on page 11. An overview of the business is given on pages 1 to 2. The nature of the Group's activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 3 to 5. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report on pages 6 to 10.

2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the Group's principal accounting policies is set out below. These policies have been applied consistently to all the years presented.

Basis of Preparation

The financial reporting framework that has been applied in the preparation of these financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

The consolidated and parent Company financial statements are presented in GBP which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

New Standards, Amendments and Interpretations

The Group has adopted the following standards and interpretations which have been issued by the International Accounting Standards Board in these financial statements for the year ended 30 April 2021:

- Amendments to references to the Conceptual Framework in IFRS (effective 1 January 2020);
- IFRS 3 (amendments) business combinations – definition of a business (effective 1 January 2020);
- IAS 1 and IAS 8 (amendments) – definition of material (effective 1 January 2020).

New Standards, Amendments and Interpretations Not Yet Effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the UK):

- IAS 1 (amendments): Classification of liabilities as current or non-current;
- IFRS 3, IAS 16, IAS 37 (amendments): Business combinations, Property, plant and equipment and Provisions, contingent liabilities and contingent assets;
- Annual improvements to IFRSs (2018-2020 cycle): IFRS 1, IFRS 9, illustrative examples accompanying IFRS16 and IAS 41;
- IFRS 16 (amendments): Leases Covid-19 related rent concessions (effective 1 June 2020);
- IFRS 4 (amendments): Insurance contract – deferral of IFRS9 (effective 1 January 2021);
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments): Interest rate benchmark reform, phase 2 (effective 1 January 2021);
- IAS 8 (amendments): Definition of accounting estimates;
- IAS 1 and IFRS practice statement 2 (amendments): Disclosure of accounting policies;
- IFRS 16 (amendments): Covid-19 related rent concessions beyond 30 June 2020 (effective 1 April 2021);
- IAS 12 (amendments): Deferred tax related to assets and liabilities arising from a single transaction.

We are currently assessing the impact of these new standards and amendments; however, we do not expect them to have a material outcome on the Group.

Basis of Consolidation

The Group's financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 30 April 2021. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent Company and are based on consistent accounting policies. All intra-Group balances and transactions, including unrealised profits arising from them, are eliminated in full.

Business combinations are accounted for using the acquisition method. This method involves recognition at fair value of all identifiable assets and liabilities at the acquisition date. Goodwill represents the excess of acquisition costs over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. The costs of acquisition are expensed during the year.

Going Concern

In adopting the going concern basis for preparing the financial statements, the Board has considered the business activities as set out in the Chairman's Statement and the Strategic Report as well as the Group's principal risks and uncertainties as set out in the Strategic Report. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

In carrying out their duties in respect of going concern, the directors have carried out a review of the Group's and the Company's financial position and cash flow forecasts for a period of twelve months from the date of signing these financial statements. The forecasts have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment. The directors have also considered different reverse stress sensitivity scenarios when assessing the Group for going concern. These are discussed further in the strategic report.

To ensure the continuation of the Group the directors regularly review the revenue generating activities, gross margin levels and cash flows of the Group, both in the short and medium term, and have a thorough approach to managing the working capital of the business by holding regular reviews with the managing directors of each division of the Group. The Group meets its day to day working capital requirements through invoice discounting facilities which are due for annual renewal in September 2022. Conversations have been held with the bank and they have confirmed that there is an expectation that this facility will be renewed as it has in previous years when this renewal falls due.

Having taken all of the above factors into consideration, the directors have reached a conclusion that the Company and the Group are able to manage their business risks and operate within existing and future funding facilities for a period of at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The directors have considered different sensitivity scenarios when assessing the Group for going concern. The directors assessed what decreases would need to occur for the Group to achieve a £nil profit. These were:

1. A decrease in sales of 26%;
2. A decrease in both sales and gross margin of 15% each and
3. An increase of indirect overheads of 25% against the budget for the next financial year.

However, the board considers these scenarios highly unlikely given the current trading of the Group. Furthermore, with the high cash availability, the board believes that should any of these occur the Group has sufficient resources to continue.

Underlying Profit

In the opinion of the directors the disclosure of certain transactions should be reported separately for a better understanding of the underlying trading performance of the Group. These underlying figures are used by the Board to monitor business performance and form the basis of bonus incentives. It is calculated as being operating profit or earnings before separately disclosed items. The term underlying earnings is not a defined term under IFRS and may not therefore be comparable with similar profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measures of profit. A reconciliation to statutory profit measures is detailed in note 6.

Separately Disclosed Items

Separately disclosed items are those significant items which in management's judgement should be highlighted by virtue of their size or incidence to enable a full understanding of the Group's performance.

Segmental Reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from other segments. The directors have considered the different business activities undertaken by the Group. The Group is organised around one operating segment, that being its core market of moulded plastic products, therefore its operations have been reported as being one business segment. Information reported to the Group's Chairman for the purpose of resource allocation and assessment of performance is focused on the Group's performance as a whole.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The Group considers it operates in one geographical segment.

Revenue Recognition

IFRS 15 establishes a single approach for the recognition and measurement of revenue, and requires an entity to recognise revenue as performance obligations are satisfied. It applies to all contracts with customers except for transactions specifically scoped out, which includes interest, dividends, leases, and insurance contracts. Revenue is derived from the transfer of goods at a point in time to customers when performance obligations to the customer have been satisfied.

Revenue represents the amounts receivable in the normal course of business from the Group's trading businesses.

Amounts received prior to the year-end in respect of services to be rendered in the following year are deferred to the following year.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes. For the majority of the Group revenue is recognised on despatch which is when the Group satisfies its performance obligation. Revenue for Global One-Pak Limited is recognised on delivery based on existing terms of sale prior to acquisition. There have been no changes to the accounting for revenue during the year.

Foreign Currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. 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. Gains and losses arising on translation are included in the income statement for the period.

Notes to the Financial Statements

for the year ended 30 April 2021

Pension Contributions

The Group contributes to defined contribution pension schemes and the pension charge represents the amount payable for that period. The Group has no defined benefit arrangements in place.

Taxation

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised on intangible assets and other temporary differences recognised in business combinations.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The unrecognised deferred tax asset relates to losses carried forward.

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

Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill representing the excess of the fair value of the consideration transferred ("cost") over the fair value of the Group's share of the identifiable assets acquired is capitalised and reviewed annually for impairment.

Cost comprises the fair value of assets acquired, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is measured at cost less accumulated impairment losses.

Impairment of Goodwill

Impairment tests on goodwill are performed annually at the financial year end. Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The calculation of value in use requires management to estimate the future cash flows expected to arise from cash generating units and a suitable discount rate in order to calculate present value. Any impairment of goodwill is charged to the Group income statement. As a result of the impairment review an impairment charge was recognised in the prior year. Further information can be found in note 14. There was no cash impact from this adjustment.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is charged so as to write off the cost less residual value of the assets over their estimated useful lives, using the straight-line method, on the following bases:

Plant and equipment	-	7-25%
Fixtures and fittings	-	10-33%
Motor vehicles	-	33%

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

The Group utilises a revaluation model of measurement for land and buildings with fair value being determined by reference to market-based evidence.

Right of Use Assets

The right of use asset is measured at an amount equal to the corresponding lease liability and is subsequently measured at cost less accumulated depreciation and impairment losses. Right of use assets are depreciated over the lease term.

Right of use assets		Length of lease
Land and buildings	-	7 to 10 years
Plant and equipment	-	3 to 5 years
Motor vehicles	-	3 to 5 years

Intangible Assets

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

Intangible assets comprise customer lists and brands acquired in business combinations, as well license fees paid in advance for the use of trademarks and technology. Such assets are defined as having finite useful lives and the costs are amortised on a straight-line basis over their estimated useful lives as follows:

Customer relationships	-	12.5-33%
Brands	-	10%
Licences	-	10%

Impairment of Tangible and Intangible Assets Excluding Goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods manufactured includes appropriate materials, labour and production overhead expenditure. Net realisable value is the estimated selling price less the costs of disposal. Provision is made to write down obsolete or slow-moving inventory to their net realisable value.

Financial Assets and Liabilities

IFRS 9 ‘Financial Instruments’ outlines the principles an entity must apply to measure and recognise financial assets and liabilities. The following section sets out the accounting policies that were applied in the reporting period under IFRS 9.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables.

Initial recognition of financial assets and financial liabilities

The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the settlement date.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are capitalised to the initial carrying amount of the financial asset/liability, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets and Liabilities (continued)

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

For valuations that have made use of significant unobservable inputs, the difference between the model valuation and the initial transaction price is recognised in profit or loss either on a straight-line basis over the term of the transaction, or over the reporting period until all model inputs will become observable where appropriate, or released in full when previously unobservable inputs become observable.

Subsequent measurement of financial assets and financial liabilities
Financial liabilities are subsequently measured at amortised cost.

Financial assets
On initial recognition, the Group classifies its financial assets into the following measurement categories:

- Amortised cost; or
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

The classification and subsequent measurement of financial assets depends on:

- The business model within which the financial assets are managed; and
- The contractual cash flow characteristics of the asset (that is, whether the cash flows represent solely payments of principal and interest).

Business model assessment:
The business model reflects how the Group manages the financial assets in order to generate cash flows and returns. The Group makes an assessment of the objective of a business model in which a financial asset is held. The factors considered in determining the business model include how the financial asset's performance is evaluated and reported to management.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):
The Group has undergone a Solely Payments of Principal and Interest (SPPI) test to classify financial assets. The SPPI test assesses whether the contractual cash flows of an asset gives rise to payments on specified dates that are solely payment of principal and profit on the principal amount outstanding.

In making the assessment of whether the contractual cash flows have SPPI characteristics, the Group considers whether the cash flows are consistent with a basic lending arrangement. That is, the contractual cash flows recovered must represent solely the payment of principal and interest.

Principal is the fair value of the financial asset on initial recognition. Interest typically includes only consideration for the time value of money and credit risk but may also include consideration for other basic lending risks and costs, such as liquidity risk and administrative costs.

Where the contractual terms include exposure to risk or volatility that is inconsistent with a basic lending arrangement, the cash flows would not be considered to be SPPI and the assets would be mandatorily measured at fair value through profit or loss.

Financial Assets and Liabilities (continued)

In making the assessment, the Group considers, inter alia, contingent events that would change the amount and timing of cash flows, prepayment and extension terms, leverage features, terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements), and features that modify consideration of the time value of money (e.g. tenor mismatch). Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

Expected credit losses on financial assets

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. To measure expected credit losses on a collective basis, trade receivables are Grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to year-end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Amounts owed by subsidiary undertakings

At initial recognition, the parent company makes an assessment as to the initial credit risk of the amounts owed by subsidiary undertakings by taking into account available relevant information about subsidiary undertakings current and expected operating performance and cashflow position. This incorporates forward looking information such as the general economic environment, consumer confidence and inflation, changing consumer demands and the competitive environment.

The parent company has defined a default of amounts owed by subsidiary undertakings to be when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan when due. This is assessed based on a number of factors including key liquidity and solvency ratios. An assessment is made of significant increases in credit risk since initial recognition, using a qualitative assessment focusing on a comparison of forecasted KPIs over the expected life of the amounts owed by subsidiary undertakings at initial recognition to forecasted KPIs over the remaining expected life of the amounts owed by subsidiary undertakings at the reporting date (taking into account forward looking information such as the updated economic and business environment). The parent company has also considered credit impaired indicators and define this to be when amounts owed by subsidiary undertakings meets the definition of a default.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances together with bank overdrafts that are repayable on demand.

Leases

The Group enters into lease agreements for the use of buildings and motor vehicles. Leases are accounted for at inception by recognising a right of use asset and lease liability.

The lease liability is measured at the present value of fixed payments under the lease. IFRS 16 requires payments to be discounted using the interest rate implicit in the lease. Where that rate cannot be readily determined, which is generally the case for the Group's leases, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The initial value of the right of use asset is the present value of the fixed payments under the lease, any initial direct costs and an estimate of dilapidation costs under the terms of the lease. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Group sometimes negotiates break clauses in its property leases, with the typical factor in deciding to negotiate a break clause being the length of the lease term. The carrying amounts of lease liabilities are not reduced by payments that would be avoided from exercising break clauses because, as at the point of lease inception, it was considered reasonably certain that the Group would not exercise its right to exercise any break in the lease.

Research and Development

Research and development tax credits are included and offset against the research and development line within administration expenses.

Share-based Payment Transactions

The Group's equity-settled share-based payments comprise the grant of options under the Group's share option schemes.

In accordance with IFRS2 "Share-based payment", the Group recognises an expense to the income statement representing the fair value of outstanding equity-settled share-based payment awards to employees which have not vested as at 30 April 2021.

Those fair values are charged to the income statement over the relevant vesting period adjusted to reflect the actual and expected vesting levels. The Group calculates the fair market value of the options as being based on the market value of a Company's share at the date of grant adjusted to reflect the fact that an employee is not entitled to receive dividends over the relevant holding period.

The total amount to be expensed over the vesting period is determined with reference to the fair value of options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options expected to vest. At each reporting date the Group revises its estimate of the number of options expected to vest.

It recognises the impact of revisions to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

Investments in Subsidiaries

Investments in subsidiaries are shown in the parent Company balance sheet at cost less any provision for impairment.

Dividends

Dividends receivable by the Company are recognised in the income statement if they are declared, appropriately authorised and no longer at the discretion of the entity paying the dividend, prior to the balance sheet date. Dividends payable by the

Company are recognised when declared and therefore final dividends proposed after the balance sheet date are not recognised as a liability at the balance sheet date. Dividends paid to shareholders are shown as a movement in equity.

Government Grants

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention has been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

Treasury Shares

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury held is presented as a separate reserve, the "treasury share reserve". Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. 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. Actual results may differ from these estimates. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are outlined below.

Inventory Valuation

Inventories are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires estimates to be made, which include forecast consumer demand, the promotional, competitive and economic environment, and inventory loss trends. Due to the nature of inventory provisions, it is impractical to disclose the assumptions that underlie estimates and quantify the impact of sensitivity on those provisions.

Impairment Reviews

The Board reviews the useful economic lives and residual values attributed to assets on an ongoing basis to ensure they are appropriate and performs an annual impairment review of goodwill and impairment reviews on tangible and other intangible assets (other than goodwill) when there are indicators of impairment. The recoverable amount is the greater of the fair value less costs to sell and value in use, where value in use is determined by discounting the future cash flows generated from the continuing use of the unit. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value (see note 14).

Going Concern

In adopting the going concern basis for preparing the financial statements, the Board has considered the business activities as set out in the Chairman's Statement and the Strategic Report as well as the Group's principal risks and uncertainties as set out in the Strategic Report. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its available cash resources and facilities for the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

Forecasts are prepared and updated on a regular basis. The forecasts are compiled using key market data, extensive dialogue with customers and suppliers, in depth analysis of all the key input costs and a range of scenario and sensitivity planning. Uncertainties in preparing these forecasts are:

- Movements in commodity prices;
- Activities of competitors;
- Reliance on key suppliers, particularly with regard to movements in the Euro as many of the Group's materials are purchased in Euro's;
- The risk of the Government imposing budget cuts;
- Credit risk in ensuring payments from customers are received in full and on a timely basis;
- Legislative and regulatory risk as new requirements are being imposed on plastic businesses;
- Brexit; and
- Covid-19 pandemic.

As part of the going concern assessment the board have prepared various forecasting scenarios to assess the going concern status of the Group.

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to one or more of the following financial risks:

- Market price risk:
  - Fair value or cash flow interest rate risk; and
  - Foreign currency risk.
- Liquidity risk; and
- Credit risk.

Policies for managing these risks are set by the Board following recommendations from the Finance Director. The policy for each of the above risks is described in more detail below. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal Financial Instruments

The principal financial instruments used by the Group, from which financial risk arises, are as follows:

- Trade and other receivables excluding corporation tax recoverable and prepayments (note 19)*
- Cash at bank*
- Trade and other payables (note 20)**
- Lease liabilities (note 23)
- Bank loans, overdrafts and invoice discounting facilities (note 22)**
- Other external loans (note 22)**

*Financial assets held at amortised cost

**Financial liabilities held at amortised cost

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Market Risk

Market risk arises from the Group's use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Group's main exposure to market risk arises from increases in input costs in so far as it is unable to pass them on to customers through price increases. The Group does not undertake any hedging activity in this area and all materials and utilities are purchased in spot markets. The Group seeks to mitigate increases in input costs through a combination of continuous improvement activities to minimise increases in input costs and passing cost increases on to customers, where this is commercially viable.

The Group is also aware of market risk in relation to the dependence upon a relatively small number of key vendors in its supply chain. This risk could manifest in the event of a commercial or natural event leading to reduced or curtailed supply. The Group seeks to mitigate these risks by maintaining transparent and constructive relationships with key vendors, sharing long term plans and forecasts, and encouraging effective disaster recovery planning. Alternative sources of supply in different geographic regions have also been put into place.

The Group is also exposed to the risk of a downturn in its customers' end markets leading to reduced levels of activity for the Group. The Directors seek to ensure that the Group's activities are not significantly concentrated in sales to either one individual customer or into a single market sector in order to mitigate the exposure to a downturn in activity levels.

Interest Rate Risk

The Group is exposed to movements in interest rates in currencies in which it has borrowings, namely Sterling and Euros, and this risk is controlled by managing the proportion of fixed to variable rates within limits. Interest rate swaps are used to achieve the desired mix if the Board consider the proportion to be outside the limits. The Group uses a mixture of fixed and variable rate loan and finance lease facilities in order to mitigate its interest rate exposure. During the current and prior financial year, the Group has not utilised interest rate swaps.

Foreign Currency Risk

The Group conducts business in both Sterling and Euros. As a result, the Group is exposed to foreign exchange risks, which will affect transaction costs and the translation of debtor and creditor balances. A significant amount of the Group's raw material purchases are in Euros and this helps to provide a natural match to the exposure from sales in that currency. Foreign currency is bought to match liabilities as they fall due where currency receipts are insufficient to match the liability.

Liquidity Risk

Borrowing facilities are monitored against the Group's forecast requirements and the Group mitigates financial risk by staggering the maturity of borrowings and by maintaining undrawn committed facilities. Short term flexibility is achieved by bank overdraft and invoice discounting facilities.

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Credit Risk

Cash deposits and financial transactions give rise to credit risk in the event that counterparties fail to perform under the contract. The Group regularly monitors the credit ratings of its counterparties and controls the amount of credit risk by adhering to limits set by the board. Where a customer is deemed to represent an unacceptable level of credit risk, terms of trade are modified to limit the Group's exposure.

Capital Disclosures

Capital comprises share capital, share premium and retained earnings.

The Group's objective when maintaining capital is to safeguard the Group's ability to continue as a going concern so that it can provide returns to shareholders and benefits for other stakeholders. In order to maintain the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Sensitivity Analysis

Whilst the Group takes steps to minimise its exposure to cash flow interest rate risk and foreign exchange risk as described above, changes in interest and foreign exchange rates will have an impact on profit.

The annualised effect of a 1% increase in the interest rate at the balance sheet date on the variable rate debt carried at that date would, all other variables being held constant, have resulted in a decrease of the Group's post-tax profit for the year of £30,000. A 1% decrease in the interest rate would, on the same basis, have increased post-tax profits by the same amount.

The Group's foreign exchange risk is dependent on the movement in the Euro to Sterling exchange rate. The effect of a 5% strengthening in the Euro against Sterling at the balance sheet date on the Euro denominated debt at that date and on the annualised interest on that amount would, all other variables being held constant, have resulted in a decrease in the post-tax profit for the year of £27,000. A 5% weakening in the exchange rate would, on the same basis, have increased post-tax profit by £30,000.

The other numerical disclosures required by IFRS7 in relation to financial instruments are included in notes 19, 20 and 22.

5. REVENUE

A breakdown of Group revenues by geographical region, based on the location of the customer is shown as follows:

2021	Discontinued operations £'000	Continuing operations £'000
UK	7,542	9,811
Rest of Europe	1,719	94
Rest of the World	-	809
	9,261	10,714

2020	Discontinued operations £'000	Continuing operations £'000
UK	13,090	7,792
Rest of Europe	528	388
Rest of the World	-	523
	13,618	8,703

A breakdown of Group revenues by product group is shown as follows:

2021	Discontinued operations £'000	Continuing operations £'000
Food containers	4,888	-
Extrusion	-	6,169
Trigger sprays and nozzles	-	4,064
Injection & Blow Moulding	4,373	-
Vacuum forming	-	481
	9,261	10,714

2020	Discontinued operations £'000	Continuing operations £'000
Food containers	6,550	-
Extrusion	-	6,042
Trigger sprays and nozzles	-	2,661
Injection & Blow Moulding	7,068	-
Vacuum forming	-	-
	13,618	8,703

5. REVENUE (continued)

All Group revenue is in respect of the sale of goods and originated in the UK. No single customer contributed 10% or more to the Group's revenue for the year ended 30 April 2021 or the year ended 30 April 2020.

There are no contract assets or liabilities arising from contracts with customers.

6. UNDERLYING PROFIT AND SEPARATELY DISCLOSED ITEMS

Underlying profit before tax, underlying earnings per share, underlying operating profit, underlying earnings before interest, tax and depreciation are defined as being before share based payment charges, amortisation of intangibles recognised on acquisition, acquisition and disposal costs, reorganisation costs, compensation for loss of office and goodwill impairment. Collectively these are referred to as separately disclosed items. In the opinion of the directors the disclosure of these transactions should be reported separately for a better understanding of the underlying trading performance of the Group.

On continuing operations	**2021** **£'000**	2020 Restated £'000
Operating loss	**(205)**	(336)
Separately disclosed items within administrative expenses		
Share based payment charge (note 24)	**8**	14
Amortisation of intangible assets (customer relationships and brands) (note 15)	**284**	277
Reorganisation costs	**780**	52
Goodwill impairment (note 14)	**-**	350
Total separately disclosed items	**1,072**	693
Underlying operating profit	**867**	357
Depreciation	**417**	424
Underlying EBITDA	**1,284**	781
Separately disclosed items (excluding amortisation and impairment)	**(788)**	(66)
EBITDA	**496**	715

Loss before tax – continuing operations	**(316)**	(463)
Separately disclosed items	**1,072**	693
Underlying profit/(loss) before tax – continuing operations	**756**	230

Separately disclosed items in the current year include acquisition costs of £30,000, disposal of subsidiaries costs of £131,000, other costs relating to the disposal of the subsidiaries of £295,000, compensation for loss of office of £167,000, disposal costs of land and building of £69,000, other professional fees of £12,000 and redundancy costs of £76,000.

The share-based payment charge, amortisation charge and goodwill impairment have all been separately disclosed as they are not controlled by management and do not represent the underlying trading performance of the Group.

Separately disclosed items in the prior year include acquisition due diligence costs of £52,000.

7. OPERATING LOSS

	2021	2020
		Restated
	£'000	£'000
This is stated after charging/(crediting) the following		
Staff costs (note 9)	**1,830**	2,052
Impairment loss recognised on trade receivables	**24**	41
Impairment loss on goodwill (note 14)	**-**	350
Cost of inventories recognised as expense	**6,913**	5,794
Net foreign exchange gains	**(87)**	(27)
Depreciation of property, plant and equipment – continuing operations (note 16)	**165**	280
Depreciation of right of use assets – continuing operations (note 17)	**252**	144
Amortisation of intangible assets (note 15)	**284**	277
Other income relating to government grant	**(117)**	-
Auditors' remuneration for statutory audit services to this Company	**30**	20
Auditors' remuneration for statutory audit services to subsidiaries	**60**	58

Non-audit fees of £nil (2020: £nil) were payable to the auditor.
Government grants represents the amount of furlough payments received.

8. FINANCE COSTS

	2021	2020
	£'000	Restated
		£'000
Interest payable on lease liabilities	**41**	58
Interest payable on term loans	**70**	69
Interest on continuing operations	**111**	127
Interest on lease liabilities – discontinued operations	**169**	246
Interest on invoice discounting facilities – discontinued operations	**49**	66
Interest on discontinuing operations	**218**	312
Total interest during the year	**329**	439

9. STAFF COSTS

	2021 No.	2020 Restated No.
Average number of employees (including executive directors) comprised		
Production	**32**	32
Selling and distribution	**6**	8
Administration	**15**	12
Average number of employees on continuing operations	**53**	52
Average number of employees on discontinued operations	**61**	101

	2021 £'000	2020 Restated £'000
Their aggregate remuneration comprised		
Wages and salaries	**1,524**	1,748
Social security costs	**221**	246
Other pension costs	**77**	57
Total remuneration before share option charge	**1,822**	2,051
Share option (credit)/charge	**8**	1
Total remuneration on continuing operations	**1,830**	2,052
Total remuneration on discontinued operations	**2,112**	2,680
Total remuneration	**3,942**	4,732

Other than the Directors, the parent company had 1 employee (2020: 1). Details of Directors' emoluments are shown in the Directors' Remuneration Report on pages 18 to 20.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company and the site general managers.

	2021 £'000	2020 Restated £'000
Their aggregate remuneration comprised		
Wages and salaries	**357**	337
Social security costs	**42**	40
Other pension costs	**17**	17
Share option charge	**4**	1
Remuneration on continuing operations	**420**	395
Remuneration on discontinued operations	**91**	186
	511	581

10. TAXATION

The (credit)/charge for taxation on the profit/(loss) for the financial year is as follows:

Group	**2021 £'000**	2020 £'000
Current tax		
Current tax on profit/(loss) for the year	**6**	(30)
Deferred tax		
Reversal of temporary differences	**(54)**	30
Total taxation credit for the financial year	**(48)**	-
Total taxation credit - continuing operations	**(76)**	(82)
Total taxation charge - discontinued operations	**28**	82

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled as follows:

Reconciliation of taxation credit

	2021 £'000	2020 £'000
Loss on ordinary activities before tax – continuing operations	**(316)**	(463)
Profit/(loss) on ordinary activities before tax – discontinued operations	**743**	(358)
Profit/(loss) on ordinary activities before tax	**427**	(821)
Tax on (loss)/profit on ordinary activities at 19% standard rate of tax (2020: 19%)	**81**	(156)
Non-deductible expenses	**77**	153
Deferred tax not recognised	**-**	-
Income not taxable	**(221)**	-
Other differences	**15**	3
Total taxation credit	**(48)**	-
Total taxation credit - continuing operations	**(76)**	(82)
Total taxation charge/(credit) - discontinued operations	**28**	82

Deferred tax liability – Group	**2021 £'000**	2020 £'000
At 1 May 2020	**398**	368
Acquired as part of business combination	**127**	-
Disposals	**(156)**	-
Credited to the income statement	**(54)**	30
At 30 April 2021	**315**	398
Comprising:		
Accelerated capital allowances	**211**	271
Losses	**(114)**	(78)
Other temporary differences	**(28)**	(17)
Liability arising on business combination	**246**	222
	315	398

The Group has not recognised a deferred tax asset of £nil (2020: £nil) in relation to tax losses that can be carried forward indefinitely.

10. TAXATION (continued)

Parent Company	**2021 £'000**	2020 £'000
Current tax		
Current tax credit for the year	**-**	-
Deferred tax		
Fixed asset timing differences	**(2)**	-
Total taxation credit for the financial year	**(2)**	-

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled as follows:

Reconciliation of taxation credit

	2021 £'000	2020 £'000
Profit/(loss) on ordinary activities before tax	**2,487**	(1,388)
Tax on profit/(loss) on ordinary activities at 19% standard rate of tax (2020: 19%)	**472**	(264)
Non-deductible expenses	**67**	12
Income not taxable	**(636)**	264
Effects of Group relief/other reliefs	**97**	(12)
Other differences	**(2)**	-
Total taxation credit	**(2)**	-

Deferred tax liability – Parent	**2021 £'000**	2020 £'000
At 1 May 2020	**-**	-
Owned fixed assets realised through use	**(2)**	-
At 30 April 2021	**(2)**	-
Comprising:		
Other temporary differences	**(2)**	-
	(2)	-

Changes in tax rates and factors affecting the future tax charge

An increase in the main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19% was announced at the budget on 3 March 2021, and subsequently enacted on 24 May 2021. The deferred tax balance at 30 April 2021 has been calculated based on the rate as at the report date of 19% (2020: 19%).

11. EARNINGS PER ORDINARY SHARE

Number of Shares	2021	2020
Weighted average number of shares	**83,143,645**	82,614,865
Effect of weighted average number of treasury shares	**(111,192)**	-
Weighted average number of shares for the purposes of basic earnings per share	**83,032,453**	82,614,865
Effect of share options	**2,138,460**	-
Weighted average number of shares for the purposes of diluted earnings per share	**85,170,913**	82,614,865

	2021	2020 Restated
Basic and diluted earnings per share – continuing operations	**(0.29)p**	(0.46)p
Underlying earnings per share – continuing operations	**1.00p**	0.38p
Basic earnings per share - discontinued operations	**0.86p**	(0.53)p
Diluted earnings per share – discontinued operations	**0.84p**	(0.53)p

Basic and underlying earnings per share have been calculated as follows:

Continuing Operations	Earnings £'000	2021 Weighted average number of shares	Earnings per share (pence)	(Loss)/ earnings £'000	2020 Weighted average number of shares	(Loss)/ earnings per share (pence)
Loss for the year	**(240)**	**83,032,453**	**(0.29)**	(381)	82,614,865	(0.46)
Separately disclosed items (note 6)	**1,072**	**-**	**-**	693	-	-
Underlying profit/(loss) for the period	**832**	**83,032,453**	**1.00**	312	82,614,865	0.38

Discontinued Operations	Earnings £'000	2021 Weighted average number of shares	Earnings per share (pence)	(Loss)/ earnings £'000	2020 Weighted average number of shares	(Loss)/ earnings per share (pence)
Profit/(loss) for the year	**715**	**83,032,453**	**0.86**	(440)	82,614,865	(0.53)
Separately disclosed items	**35**	**-**	**-**	90	-	-
Underlying profit/(loss) for the period	**750**	**83,032,453**	**1.03**	350	82,614,865	0.42

Underlying earnings per share

Underlying earnings per share has been presented in addition to basic earnings per share since in the opinion of the directors this provides shareholders with a more meaningful representation of the earnings derived from the Group's operations. This measure is not intended to be a substitute for, or superior to, the IFRS measure.

Diluted earnings per share

The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of all outstanding share options. The potential ordinary shares are considered anti-dilutive as they decrease the loss per share for continuing operations. Therefore, diluted EPS is the same as basic for continuing operations. However, the discontinued operations can be diluted.

12. DIVIDENDS PAID AND PROPOSED

	2021	2020
	£'000	£'000
Interim dividend £nil (2020: £nil)	**-**	-
Final dividend for 2020 £nil (2019: £nil)	**-**	-
	-	-

An interim dividend of 0.5p was paid on 28 May 2021. A final dividend of 0.5p (2020: nil) is to be recommended at the forthcoming AGM. The final dividend is subject to approval by shareholders at the Annual General Meeting on 27 October 2021 and has not been included as a liability in these financial statements.

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS

Parent Company	**2021**	2020
	£'000	£'000
Cost and net book value		
At 1 May	**10,951**	10,937
Share options granted to employees in subsidiaries (note 24)	**8**	14
Disposal of subsidiaries	**(4,737)**	-
Acquisition of subsidiary	**1,200**	-
Waiver of intercompany loan	**-**	1,388
Impairment	**-**	(1,388)
At 30 April	**7,422**	10,951

Investments in subsidiary undertakings are recorded at cost, which is the fair value of the consideration paid. All subsidiaries of the company are wholly owned, incorporated in England and Wales and operate in the United Kingdom.

Company	**Business activity**	**Holding**	**Registered office**
Tatra Rotalac Limited	Manufacture of plastic mouldings and extrusions	100%	Southmoor Road, Wythenshawe, Manchester, M23 9DS
Rotalac Plastics Limited	Manufacture of plastic mouldings and extrusions	100%	Southmoor Road, Wythenshawe, Manchester, M23 9DS
Global One-Pak Limited	Design, packaging and distribution of lotion pumps, trigger sprays and aerosol caps	100%	Hyde Park House, Cartwright Street, Newton Hyde, Cheshire, SK14 4EH
Customised Packaging Limited	Manufacture of plastic mouldings and extrusions	100%	Unit 2-4 Denton Business Park, Windmill Lane, Manchester, M34 3SP

Business Combinations during the period - Acquisitions

On 3 March 2021 the Group acquired 100% of the voting equity instruments of Customised Packaging Limited whose principal activity is the manufacture of plastic mouldings and extrusions. The principal reason for this acquisition was to expand further the Group's market coverage and product range.

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS (continued)

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, contingent liabilities, income taxes and defined benefit pension plans):

Net assets acquired	**Book Value £'000s**	**Adjust-ments £'000s**	**Fair Value £'000s**
Property, plant and equipment	235	(80)	155
Right of use assets	-	700	700
Inventories	334	-	334
Trade and other receivables	489	-	489
Trade and other payables	(381)	(620)	(1,001)
Overdraft	(103)	-	(103)
Intangible assets	-	403	403
Deferred tax liability	(47)	(80)	(127)
Total net assets	527	323	850

Fair value of consideration paid	**£'000s**
Cash	834
Shares	366
Total consideration	1,200
Goodwill	350

Acquisition costs of £30,000 have been recognised as part of administration expenses in the statement of comprehensive income.

As part of the acquisition agreement, if the profit during the next financial period exceeds £250,000 then an earn out will be paid equal to 30% of profits in excess of £250,000. No liability has been recognised in relation to the earn out.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition. The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, Customised Packaging Limited have contributed £481,000 to Group revenues, £20,000 to Group profit and £30,000 to cash flow in this financial period.

Disposal of Subsidiaries

On 3 March 2021 the Group sold 100% of the voting equity instruments of Coral Products (Mouldings) Limited and Interpack Limited for £7.8 million. The principal reason for this disposal was to provide the company with the opportunity to crystallise an attractive return on invested capital with respect to the sale companies, reduce net debt and to provide additional financial flexibility to further develop and support the recent progress of the continuing Group.

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS (continued)

Details of the fair value of identifiable assets and liabilities disposed of are as follows:

Net assets sold	**£'000s**
Fair value of consideration received	**7,776**
Net assets disposed of:	
Property, plant and equipment	(2,309)
Right of use assets	(2,993)
Goodwill at disposal date	(3,550)
Inventories	(2,056)
Cash	(5)
Trade and other receivables	(1,672)
Trade and other payables	2,513
Invoice discounting facility	1,380
Lease liability	2,049
Total net assets	**(6,643)**
Gain on disposal of discontinued operation	**1,133**
Related tax expense	-
Gain on disposal of discontinued operation	**1,133**

Disposal costs of £131,000 have been recognised as part of administration expenses in the statement of comprehensive income.

Results of discontinued operations	**Note**	**2021 £'000s**	**2020 £'000s**
Revenue	**5**	**9,261**	13,618
Cost of sales		**(5,656)**	(8,535)
Gross profit		**3,605**	5,083
Operating costs			
Distribution expenses		**(540)**	(742)
Administrative expenses before other separately disclosed items		**(3,202)**	(4,297)
Other separately disclosed items		**(35)**	(90)
Administration expenses		**(3,237)**	(4,387)
Operating loss		**(172)**	(46)
Finance costs	**8**	**(218)**	(312)
Loss for the financial year before taxation		**(390)**	(358)
Taxation	**10**	**(28)**	(82)
Gain on disposal of discontinued operations		**1,133**	-
Net profit/(loss) on discontinued operations		**715**	(440)
Earnings per share from discontinued activities			
Basic earnings per ordinary share		**0.86p**	(0.53)p
Diluted earnings per ordinary share		**0.84p**	(0.53)p

Statement of cash flows

The statement of cash flows includes the following amounts relating to discontinued activities:

	2021	2020
Operating activities	**(1,457)**	1,960
Investing activities	**7,446**	(790)
Financing activities	**(2,931)**	(595)
Net cash from discontinued activities	**3,058**	575

14. GOODWILL

Group	£'000
At 30 April 2019	5,495
Impairment	(350)
At 30 April 2020	5,145
Additions	350
Disposals	(3,550)
At 30 April 2021	1,945

Goodwill has been allocated to cash generating units (CGUs), which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. This allocation is shown in the table below:

	Customised Packaging Limited £'000	Tatra Rotalac Limited £'000	Global One-Pak Limited £'000	Interpack Limited £'000	Other £'000	Total £'000
Goodwill						
At 30 April 2020	-	961	634	3,457	93	**5,145**
Additions	350	-	-	-	-	**350**
Disposals	-	-	-	(3,457)	(93)	**(3,550)**
At 30 April 2021	350	961	634	-	-	**1,945**

The Group tests goodwill and intangible assets annually for impairment. The recoverable amount of goodwill and intangibles arising on the acquisition of Customised Packaging, Tatra and Global One-Pak is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, revenue and overhead growth rates, and perpetuity growth rates. Management estimates discount rates using pre-tax rates that reflect market assessments of the time value of money and the risks specific to the acquired subsidiaries. In assessing goodwill and intangibles for impairment, the directors consider each subsidiary to be the smallest Group of assets that generate cash flows and represent the lowest level within the Group at which goodwill is monitored for internal management purposes. In performing this impairment review, the Group has prepared cash flow forecasts derived from the most recent financial budgets approved by the Board, an estimate for year two based upon expected growth and improved performance a year after the impact of the lockdown due to coronavirus and then estimates of revenue growth for the following years at 2.0% per annum, with overheads also assumed to increase at 2.0% per annum. Thereafter, a growth rate for pre-tax profit of 2.0% per annum is assumed into perpetuity. The growth rate of 2.0% exceeds the long-term average growth rate, however, management have estimated this based on a prudent view of future growth in demand. A pre-tax rate of 11.5% has been used to discount the forecast cash flow. The key assumptions are based on past experience for expected changes in future conditions.

The Group has conducted a sensitivity analysis on the impairment test of each CGU carrying value. A decrease in the growth rate of profit to 0% (i.e. the current level of profit being generated remains constant) over the forthcoming five years would not cause the carrying value to be impaired for either Customised Packaging, Tatra-Rotalac or Global One-Pak, nor would a reduction of the growth rate for pre-tax profit into perpetuity to 0%.

15. OTHER INTANGIBLE ASSETS

	Customer relationships £'000	Brands £'000	Licences £'000	Total £'000
Group				
Cost				
At 1 May 2019 and 1 May 2020	**2,653**	**322**	**573**	**3,548**
Acquired through business combinations	**403**	**-**	**-**	**403**
Disposal of business	**(411)**	**-**	**(573)**	**(984)**
At 30 April 2021	**2,645**	**322**	**-**	**2,967**
Amortisation				
At 1 May 2019	1,472	102	573	2,147
Charge in the year	245	32	-	277
At 1 May 2020	1,717	134	573	2,424
Charge in the year	252	32	-	284
Disposal of business	(411)	-	(573)	(984)
At 30 April 2021	**1,558**	**166**	**-**	**1,724**
Net book value				
At 30 April 2021	**1,087**	**156**	**-**	**1,243**
At 30 April 2020	936	188	-	1,124

	Licences £'000	Total £'000
Parent Company		
Cost		
At 1 May 2019 and 1 May 2020	**403**	**403**
Disposal	**(403)**	**(403)**
At 30 April 2021	**-**	**-**
Amortisation		
At 1 May 2019 and 1 May 2020	**403**	**403**
Disposal	**(403)**	**(403)**
At 30 April 2021	**-**	**-**
Net book value		
At 30 April 2021	**-**	**-**
At 30 April 2020	-	-

As set out in note 14, the Group tests goodwill and intangible assets annually for impairment.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Motor Vehicles £'000	Total £'000
Group					
Cost or Valuation					
At 1 May 2019	2,520	337	15,780	-	18,637
Reclassification due to adoption of IFRS 16 (note 2)	-	-	(4,245)	-	(4,245)
Additions	-	19	303	-	322
Transferred to assets held for sale	(2,520)	-	-	-	(2,520)
Disposals	-	(1)	-	-	(1)
At 1 May 2020	-	355	11,838	-	12,193
Acquired through business combinations	-	81	978	44	1,103
Additions	-	9	445	-	454
Disposal of business	-	(279)	(6,347)	-	(6,626)
At 30 April 2021	**-**	**166**	**6,914**	**44**	**7,124**
Depreciation					
At 1 May 2019	-	217	9,009	-	9,226
Reclassification due to adoption of IFRS 16 (note 2)	-	-	(854)	-	(854)
Charge in the year	-	94	938	-	1,032
Disposals	-	(1)	-	-	(1)
At 1 May 2020	-	310	9,093	-	9,403
Acquired through business combinations	-	78	802	42	948
Charge in the year – continuing operations	-	22	142	-	165
Charge in the year – discontinued operations	-	17	305	-	322
Disposal of business	-	(261)	(4,056)	-	(4,317)
At 30 April 2021	**-**	**166**	**6,286**	**42**	**6,494**
Net book value					
At 30 April 2021	**-**	**-**	**628**	**2**	**630**
At 30 April 2020	-	45	2,745	-	2,790

	Land and buildings £'000
Parent Company	
Cost or Valuation	
At 1 May 2019 and 1 May 2020	2,520
Addition	180
Disposal	(200)
Transferred to assets held for sale (note 21)	(2,500)
At 30 April 2021	-

During the year there were additions to the assets held for sale. Assets held for sale are held at their market value determined by reference to market-based evidence.

17. RIGHT OF USE ASSETS

	Property	Plant and Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 May 2020	1,130	4,836	349	6,315
Acquired through business combinations	620	56	24	700
Additions	-	-	116	116
Disposal of business	-	(4,288)	(283)	(4,571)
At 30 April 2021	**1,750**	**604**	**206**	**2,560**
Depreciation				
At 1 May 2020	499	1,313	138	1,950
Acquired through business combinations	-	13	13	26
Charge for the year – continuing operations	131	90	31	252
Charge for the year – discontinued operations	-	360	54	414
Disposal of business	-	(1,408)	(170)	(1,578)
At 30 April 2021	**630**	**368**	**66**	**1,064**
Carrying amount				
At 30 April 2021	**1,120**	**236**	**140**	**1,496**
At 30 April 2020	631	3,523	211	4,365

18. INVENTORIES

	Group		**Parent Company**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Raw materials	**930**	1,394	-	-
Work in progress	**433**	324	-	-
Finished goods and goods for resale	**465**	1,650	-	-
	1,828	3,368	-	-

During the year a provision of £200,000 (2020: £nil) has been made against inventory for slow-moving stocks. Write-downs of inventories to net realisable value amounted to £nil (2020: £nil).

19. TRADE AND OTHER RECEIVABLES

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Current				
Trade receivables	**2,537**	3,807	**-**	-
Less: provision for impairment of trade receivables	**(24)**	(41)	**-**	-
	2,513	3,766	**-**	-
Amounts owed by subsidiary undertakings	**-**	-	**52**	8
Corporation tax recoverable	**-**	306	**-**	-
Other debtors	**1,595**	-	**1,568**	-
Deferred tax	**-**	-	**2**	-
Prepayments and accrued income	**345**	859	**(14)**	31
	4,453	4,931	**1,608**	39

The fair value of trade and other receivables approximates to book value at 30 April 2021 and 2020.

The Group is exposed to credit risk with respect to trade receivables due from its customers. The Group currently has around 500 customers predominantly in the manufacturing and retail sectors.

Amounts owed by subsidiary undertakings are interest free and due on demand. The credit risk for amounts owed by subsidiary undertakings has not increased materially since the initial recognition. There is no impairment allowance for amounts owed by subsidiary undertakings for either the year ended 30 April 2021, or the year ended 30 April 2020.

Prepayments and accrued income include funds of £1.1m that were held in escrow at 30 April 2021, these relate to the sale of Coral Products (Mouldings) Limited and Interpack Limited. Most of these funds have been received during the current financial year. There is a balance remaining in escrow of £0.2m which is expected to be received once the roof replacement at Haydock is completed in October 2021.

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Sterling	**2,461**	3,710	**-**	-
Euros	**52**	11	**-**	-
US Dollars	**-**	45	**-**	-
	2,513	3,766	**-**	-

19. TRADE AND OTHER RECEIVABLES (continued)

As 30 April 2021 the lifetime expected loss provision for trade receivables is as follows:

Group

	Current	Overdue less than 1 month	Overdue 1 -2 months	Overdue more than 2 months	**Total**
	£'000	£'000	£'000	£'000	**£'000**
Expected loss ratio	0.15%	1.5%	2.5%	3.5%	
Gross carrying amount	1,465	659	215	198	**2,537**
Loss provision	(2)	(10)	(5)	(7)	**(24)**

Movement in the loss provision for trade receivables has been included in administrative expenses in the financial statements and receivables are shown net of allowance.

To measure expected credit losses on a collective basis, trade receivables are Grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to year-end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

The movement in the loss provision has been as follows:

	Group		**Parent Company**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Opening provision for impairment	**41**	34	**-**	-
Utilised in the period/unused provision released	**(41)**	(34)	**-**	-
Provided in the period	**24**	41	**-**	-
Closing provision	**24**	41	-	-

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable set out above. The Group did not hold any significant interest rate swaps or forward foreign exchange contracts at the year-end.

20. TRADE AND OTHER PAYABLES

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Trade payables	**1,483**	3,047	**42**	6
Other taxes and social security	**172**	387	**-**	-
Accruals and deferred income	**367**	315	**150**	61
Amounts owed to Group undertakings	**-**	-	**446**	610
Other payables	**17**	-	**-**	-
	2,039	3,749	**638**	677

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates to their fair value.

21. ASSETS HELD FOR SALE

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Assets				
Land and buildings at Haydock	**2,500**	2,520	**2,500**	-
Liabilities				
Term loan on land and buildings	**-**	(1,765)	**-**	-
Total assets/liabilities held for sale	**2,500**	755	**2,500**	-

A sale has been agreed for the land and buildings at the Haydock site, contracts have been exchanged with completion occurring during the next financial year upon completion of the roof works. The mortgage on the property was repaid in full in March 2021.

In the previous year the term loan held in the Group was a mortgage made against the property which was held as collateral in the loan arrangement.

22. FINANCIAL LIABILITIES

The maturity profile of the non-current financial liabilities as at 30 April 2021 is set out below:

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Borrowings				
Current				
Term loan	**-**	-	**-**	1,765
Invoice discounting facility	**1,353**	2,978	**-**	-
Lease liabilities	**459**	1,191	**-**	-
	1,812	4,169	**-**	1,765
Non-current				
Lease liabilities	**1,035**	2,509	**-**	-
	1,035	2,509	-	-
Liabilities held for sale outside of current and non-current				
Term loan (note 21)	**-**	1,765	-	-
	-	1,765	-	-

The effective interest rates at the balance sheet date are as follows:

	2021		2020	
Invoice discounting facility	2.3%	over base	2.3%	over base
Term loan	n/a		3.0%	over base
Lease liabilities	3.7%		3.7%	

Lease liabilities are secured on the assets to which the contracts relate. The invoice discounting facility is secured over trade receivables. The directors estimate that the fair value of the Group's borrowings is the same as the above book values as at 30 April 2021 and as at 30 April 2020. The invoice discounting facility was renegotiated in September 2021 when Customised Packaging Limited was added to the facility, the new interest rate is 1.98% over base.

The maturity profile of the non-current financial liabilities as at 30 April 2021 is set out below:

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
In more than one year but not more than two years				
Lease liabilities	**410**	1,035	**-**	-
In more than two years but not more than five years				
Lease liabilities	**625**	1,474	**-**	-
	1,035	2,509	**-**	-

On 13 May 2020, the Group received a coronavirus business interruption loan (CBIL) of £1,000,000. This was repaid in full on 28 April 2021. The Group have now returned to spending on capital expenditure to meet current increase demand and have recommenced dividend payments.

22. FINANCIAL LIABILITIES (continued)

Undrawn borrowing facilities

The Group has a maximum Invoice Discounting Facility of £3.0m, subject to debtor levels and restrictions.

Grants which have been received for which the grant criteria have been met are included in operating income. Grants which have been received where the grant criteria have not been met are included in liabilities.

23. LEASE LIABILITIES

	Property £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
At 1 May 2020	634	2,851	215	3,700
Acquired through business combinations	620	-	-	620
Additions – new leases	-	-	116	116
Discounted payments – continuing operations	(129)	(110)	(31)	(270)
Discounted payments – discontinued operations	-	(586)	(37)	(623)
Disposal of business	-	(1,917)	(132)	(2,049)
At 30 April 2021	**1,125**	**238**	**131**	**1,494**
Current liabilities	233	178	48	459
Non-current liabilities	892	60	83	1,035
At 30 April 2021	**1,125**	**238**	**131**	**1,494**

The maturity analysis for lease liabilities is shown below:

	2021 Interest £'000	2021 discounted payments £'000	**2021 Total repayment £'000**	2020 interest £'000	2020 discounted payments £'000	**2020 Total repayment £'000**
Lease liabilities < 1 year	59	354	**413**	324	1,190	**1,514**
Lease liabilities 1 - 2 years	69	456	**525**	347	1,035	**1,382**
Lease liabilities 2 - 5 years	186	684	**870**	655	1,475	**2,130**
Total	**314**	**1,494**	**1,808**	**1,326**	**3,700**	**5,026**

24. SHARE OPTIONS

On 8 December 2014 share options were granted to 9 employees including 1 director under an EMI Scheme, the "Coral Products PLC EMI Share Option Plan". Options were granted over 1,650,000 1p ordinary shares of the Company with an exercise price of 16p per share. The share price at the date of grant was 14.5p per share. All these employees have left the Company.

On 30 May 2017 share options were granted to 4 employees. Options were granted over 550,000 1p ordinary shares of the company with an exercise price of 21p per share. The share price at the grant date was 15p per share. 3 employees with options totalling 450,000 1p ordinary shares have left the Company.

On 22 August 2017 share options were granted to 2 employees, both of which are directors of the company. Options were granted over 2,500,000 1p ordinary shares of the company with an exercise price of 15p. The share price at the grant date was 14.5p. 1 employee with options totalling 2,000,000 1p ordinary shares has left the company.

On 23 March 2021 share options were granted to 3 employees. Options were granted over 1,538,460 1p ordinary shares of the company with an exercise price of 13p. The share price at the grant date was 11.8p.

The options can be exercised two years after the grant date and there are no exercise conditions other than that for the options to vest, the individual must remain an employee of the Group.

The weighted average fair value of the options as at 30 April 2021 was £130,338 based on a fair value of 6.6p per share and 2,138,460 options. The assumptions used in the calculation are as follows:

	8 December 2014	**30 May 2017**	**22 August 2017**	**23 March 2021**
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Expected volatility	30%	46%	45%	50%
Option life	10 years	10 years	10 years	10 years
Risk-free interest rate	1.9%	1.09%	1.09%	0.78%
Expected dividend yield	3.45%	4.7%	4.8%	5.6%

A debit of £8,000 (2020: £14,000 debit) has been recognised in the income statement in the current year in relation to these share options.

No options have been exercised in the year (2020: none). The maximum term on the options is 10 years from the issue date, which remains the weighted average remaining life.

25. SHARE CAPITAL

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Allotted, called up and fully paid				
84,247,534 ordinary shares of 1p each	**842**	826	**842**	826
Treasury shares 1,695,000 ordinary shares of 1p each	**17**	-	**17**	-
Total 85,942,534 ordinary shares of 1p each	**859**	826	**859**	826

	2021	**2021**	2020	2020
	Number	**£'000**	Number	£'000
Ordinary shares held by the company	**1,695,000**	**218**	-	-

The shares were acquired between March and April 2021.

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Group		Parent Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Net increase/(decrease) in cash and cash equivalents	**3,390**	480	**2,817**	(15)
Decrease on invoice discounting facility	**1,625**	534	**-**	-
Decrease/(increase) in bank loans and other loans	**1,765**	(312)	**1,765**	(312)
Decrease/(increase) in lease liabilities	**2,206**	(475)	**-**	-
Movement in net debt for the period	**8,986**	227	**4,582**	(327)
Net debt at beginning of period	**(7,990)**	(8,217)	**(1,753)**	(1,426)
Net funds/(debt) at end of period	**996**	(7,990)	**2,829**	(1,753)

26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (continued)

Other than the movement in lease liabilities, the Group had no non-cash changes arising from financing activities.

	Lease Liabilities (Note 23) £'000	Bank Borrowing (Note 22) £'000	Bank Borrowing (Note 21) £'000
2020	**3,700**	**-**	**1,765**
Repayment of principal – continuing operations	(270)	(1,000)	(1,765)
Repayment of principal – discontinued operations	(623)	-	-
New borrowings	-	1,000	-
Interest paid – continuing operations	(41)	-	(70)
Interest paid – discontinued operations	(169)	-	-
Cash movements total	**(1,103)**	**-**	**(1,835)**
Interest charge – continuing operations	41	-	70
Interest charge – discontinued operations	169	-	-
Non cash additions	736	-	-
Disposal of business	(2,049)	-	-
Non cash movement total	**(1,103)**	**-**	**70**
2021	**1,494**	**-**	**-**

27. RELATED PARTY TRANSACTIONS

Group

The Group has a related party relationship with its subsidiaries and with its key management personnel, who are considered to be its directors. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation for the Group and are not disclosed in this note. All related party transactions are conducted on an arms' length basis.

Key management personnel

Details of the compensation of the key management personnel have been disclosed in note 9, no other transactions were entered into with key management personnel in the year other than as detailed below:

Parent Company

The amounts due to the Company in respect of its subsidiaries are set out in note 19. The transactions entered into between the Company and its subsidiaries were as follows:

	2021 £'000	2020 £'000
Rentals received from Group undertakings	**250**	300
Recharge of overheads to Group undertakings	**306**	388

28. POST BALANCE SHEET EVENTS

The invoice discounting facility with Barclays was renegotiated in September 2021 when Customised Packaging Limited was added to the Group facility and renewed for a further twelve months. This has resulted in lower interest fees.

29. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party.

Five Year Record (unaudited)

	2021	2020 Restated	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Turnover	**10,714**	8,703	24,733	23,405	21,432
Profit					
Underlying operating profit	**867**	357	1,018	879	1,093
Net interest payable	**(111)**	(127)	(438)	(311)	(228)
Underlying profit/(loss) before taxation	**756**	230	580	568	865
Separately disclosed items	**(1,072)**	(343)	(539)	(1,065)	(400)
Goodwill impairment	**-**	(350)	-	-	-
Taxation	**76**	82	43	127	(7)
Discontinued operations	**715**	(440)	-	-	-
Profit/(loss) after taxation	**475**	(821)	84	(370)	458
Interest cover (times)	**8.7**	0.9	2.3	2.7	4.8
Underlying earnings per share (pence)	**0.84**	(0.05)	0.75	0.84	1.04
Dividend per share (pence)	**1.0**	0.0	0.25	0.4	1.0
Assets employed					
Non-current assets	**5,314**	13,424	16,307	16,484	15,944
Other net assets/(liabilities)	**7,423**	(1,318)	(3,394)	(3,313)	(2,147)
Net assets	**12,737**	12,106	12,913	13,171	13,797
Financed by					
Share capital	**859**	826	826	826	826
Reserves	**11,878**	11,280	12,087	12,345	12,971
Shareholder's funds	**12,737**	12,106	12,913	13,171	13,797
Gearing (%)	**n/a**	66	64	56	41
Net assets per share (pence)	**15**	15	15	16	17

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Coral Products PLC (the Company) will be held in the offices of Tatra Rotalac, Southmoor Road, Wythenshawe, Manchester, M23 9DS, on Wednesday 27 October 2021, at 12.00 noon for the purpose of considering and, if thought fit, passing of the following resolutions, of which Resolutions 1 to 7 will be proposed as Ordinary Resolutions, to be passed with more than half of the votes in favour of the resolution and Resolutions 8 and 9 will be proposed as Special Resolutions, to be passed with at least three-quarters of the votes in favour of the Resolution.

The Board strongly urges Shareholders to comply with Government public health instructions in respect of the COVID-19 pandemic and its advice in relation to social contact, public gatherings and non-essential travel. The health of the Shareholders, as well as its officers and employees, is of paramount importance. It is expected that the attendance by certain of the Directors in person at the Annual General Meeting will be limited to satisfy the requirements of a quorum. The Annual General Meeting will end immediately following the formal business required and there will be no corporate presentations, Q&A or refreshments. Social distancing measures will be in place and strict hygiene arrangements in force.

The results of the Annual General Meeting will be available on the Company's website shortly after the Annual General Meeting has closed. The Board continues to follow advice issued by the Government with respect to the COVID-19 pandemic and will issue further guidance if necessary.

In light of the continuing Covid-19 pandemic and those not wishing to attend the Annual General Meeting in person, the Board shall accept any questions relating to the business being dealt with at the Annual General Meeting to be submitted by Shareholders in advance to the Company and the Company shall, where considered appropriate, publish the question and the response on the Company website in advance of the Annual General Meeting. Any such questions should be sent to the following email address CHAIRMAN@CORALPRODUCTS.COM so as to be received by no later than 1 p.m. on 26 October 2021.

Ordinary business

Ordinary resolutions

1. To receive and adopt the audited accounts for the year ended 30 April 2021, together with the Reports of the Directors and Auditors.
2. To re-elect Steve Barber, who retires by rotation as a Director of the Company.
3. To re-elect David Low, who retires by rotation as a Director of the Company.
4. To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that the Directors be authorised to fix their remuneration.
5. To declare a final dividend of 0.5p per ordinary share in respect of the year ended 30 April 2021.
6. To approve the Board Report on Directors' Remuneration for the year ended 30 April 2021.
7. That the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £550,765, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's annual general meeting in 2021, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is (i) subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange and (ii) in substitution for all previous authorities conferred on the directors in accordance with section 551 of the 2006 Act but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

Notice of the Annual General Meeting

continued

Special resolutions

8. That, subject to and conditional upon the passing of resolution 7 set out in this notice, the directors be generally empowered to allot equity securities (as defined in section 560 of 2006 Act) pursuant to the authority conferred by resolution 8 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:
   - 8.1 be limited to:
     - 8.1.1 the allotment of equity securities in connection with an offer of equity securities:
       - (a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
       - (b) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary.
     - 8.1.2 the allotment of equity securities (otherwise than pursuant to paragraph 8.1.1 above) up to an aggregate nominal amount of £550,765;
   - 8.2 be subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
   - 8.3 expire at the end of the Company's annual general meeting in 2022 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Special business

Special resolution

9. That the Company be generally and unconditionally authorised for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of ordinary shares of 1 pence each in the Company in such manner and upon such terms as the Directors may from time to time determine, provided that:
   - (a) the maximum number of ordinary shares which may be purchased is 12,392,230;
   - (b) the minimum price which may be paid for an ordinary share is 1 pence (being the nominal value of the ordinary share) exclusive of expenses;
   - (c) the maximum price which may be paid for an ordinary share exclusive of expenses is equal to the higher of (i) 105 per cent of the average of the middle market quotations for an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid (in each case, in relation to (a) and (b), for any number of the Company's ordinary shares on the trading venue where the purchase is carried out); and
   - (d) the authority to purchase hereby conferred shall expire at the end of the next annual general meeting in 2022, save that the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be completed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract.

By order of the Board
Sharon Tinsley
Company Secretary

4 October 2021

Registered Office
Southmoor Road
Wythenshawe
Manchester
M23 9DS

Notice of the Annual General Meeting

continued

Notes

1. A member entitled to attend and vote at the Annual General Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Annual General Meeting. A member can appoint more than one proxy in relation to the Annual General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the Annual General Meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the Annual General Meeting and voting in person.

3. A Proxy Form which may be used to make this appointment and give proxy instructions accompanies this Notice of Annual General Meeting. Details of how to appoint a proxy are set out in the notes to the Proxy Form. If you do not have a Proxy Form and believe that you should have one, or if you require additional forms, please contact the Company.

4. In order to be valid an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) in hard copy form by post, by courier or by hand to the office of the Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, and must be received by the Company at least 48 hours prior to the meeting.

5. To change your proxy instructions, you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy Proxy Form and would like to change the instructions using another hard copy Proxy Form, please contact the Registrars. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. To terminate your proxy instruction, please send a written notice to the Registrars stating your intention to revoke the proxy instruction, to be received by the Registrars no later than 48 hours prior to the meeting. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the others.

6. A copy of this Notice of Annual General Meeting may have been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Annual General Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

7. To be entitled to attend and vote at the Annual General Meeting, members must be registered in the register of members of the Company 48 hours prior to the meeting (or, if the meeting is adjourned, 48 hours prior to the date of the adjourned meeting). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.

8. Voting on all Resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the Annual General Meeting, the results of the voting at the Annual General Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a regulatory information service.

9. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Annual General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

10. The Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the Annual General Meeting which is put by a member attending the Annual General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

11. As at 1 October 2021 (being the last Business Day prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consists of 82,947,534 ordinary shares of 1p each with voting rights. Therefore, the number of total voting rights in the Company is 82,947,534.

12. The contents of this Notice of Annual General Meeting and details of the total number of shares in respect of which members are entitled to exercise voting rights at the Annual General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Annual General Meeting will be available on the Company's corporate website: www.coralproducts.com.

13. You may not use any electronic address provided in this Notice of Annual General Meeting to communicate with the Company for any purposes other than those expressly stated.

Financial Calendar

Annual General Meeting	**27 October 2021**
Payment of Final Dividend	**30 November 2021**
Provisional - Interim results	**31 December 2021**

Shareholder Information

Coral Products shareholders register is maintained by Share Registrars Limited who are responsible for updating the register, including details of shareholders' addresses. If you have a query about your shareholding in Coral Products, you should contact Share Registrars by telephone on 01252 821390, by email to enquiries@shareregistrars.uk.com or in writing to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR.

The Coral Products website at www.coralproducts.com provides news and details of the Group's activities plus information for Shareholders. The investor section of the website contains real time and historical share price data as well as the results and announcements.