

CORAL PRODUCTS PLC

ANNUAL REPORT AND ACCOUNTS 2023

Contents

Strategic Report

Business Overview	1
Chairman's Statement	3
Review of the Business	6
Treasury Policies	6
Key Performance Indicators	7
Section 172 Statement	7
Risks and Uncertainties	8
Corporate Responsibility	9
Going Concern	12

Governance

Directors and Advisors	13
Directors' Report	14
Directors' Remuneration Report	18
Audit Committee Report	20
Independent Auditor's Report to the Members of Coral Products PLC	21

Financial Statements

Group Income Statement	27
Group Statement of Comprehensive Income	27
Balance Sheets	28
Statement of Changes in Shareholders' Equity	29
Cash Flow Statements	30
Notes to the Financial Statements	31

Shareholder Information

Five Year History	66
Notice of the General Meeting	67
Financial Calendar and Shareholder Information	70

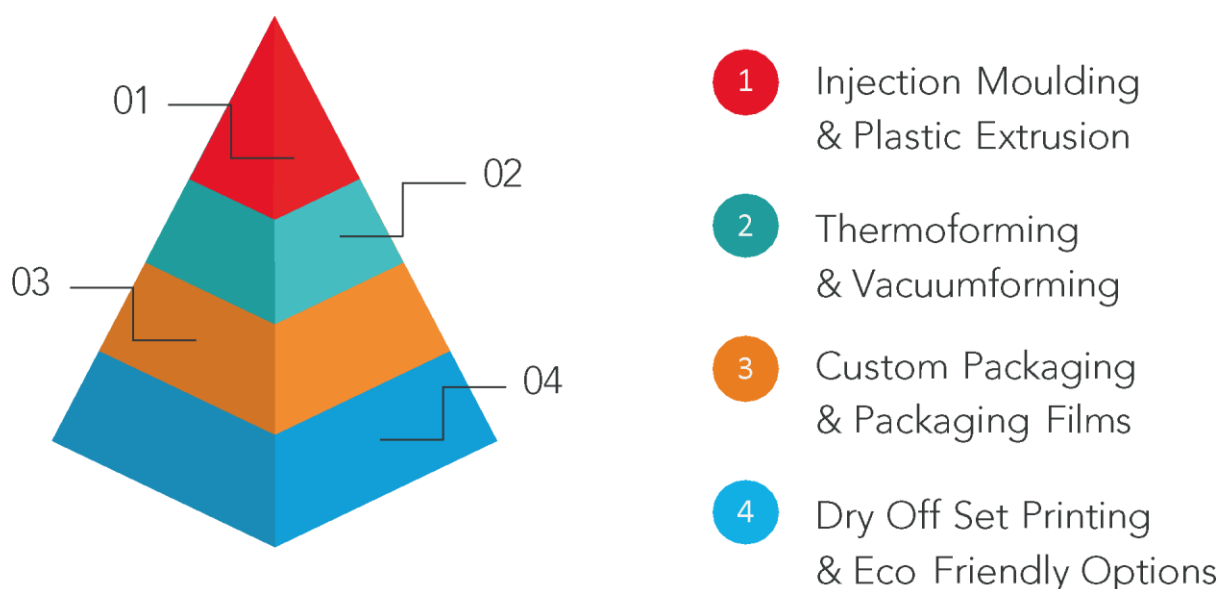
Strategic Report

The Group is required to produce a Strategic Report complying with the requirements of The Companies Act 2006.

Business Overview

About Us

Coral Products is a one stop shop for all plastic needs. Coral Products manufactures and distributes 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 manufacturing and distribution facilities throughout the UK.



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

Coral Products has been in operation since 1989, became a fully listed PLC in 1995 and transferred to the AIM market in 2011.

Principal Activity

Through its subsidiary companies, Coral Products manufactures and distributes a range of specialised plastic products and services to a wide range of customers, across a diverse array of industries.

Business Model

To create and grow markets for specialist plastic products via innovation, development and acquisitions. Our aim is to build a significant specialist plastic business with a bias towards using recycled materials.

Strategic Report

Continued

Business Overview (Continued)

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 six 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, ISO 14001 and BRC standards.

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 also recognise 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.

Recycling – Sustainability is a core principle of our business. In all manufacturing processes, any scrap or waste material is reused or recycled. We offer “end-of-life” recycling, where customers and users can return products to us once they have reached the end of their life cycle for recycling and reprocessing. Our manufacturing subsidiaries are taking steps in providing a circular strategy by using recycled and reprocessed materials as a sustainable alternative wherever product specification permits.

Strategic Plan

In 2021 the Group adopted a five-year plan aimed at substantially increasing Group revenue and profitability from our specialist plastic products manufacturing and distribution facilities. The Group took the initial step along this plan when it disposed of Coral Products (Mouldings) Ltd and Interpack Ltd closely followed by the acquisition of Customised Packaging Ltd. During the year Film & Foil Solutions Ltd, Alma Products Ltd, Manplas Ltd and Ecodeck Ltd were acquired. Further acquisitions have occurred following the year end, see note 28 for details.

Strategic Report

Continued

Chairman's Statement

Introduction

The business has doubled in size during the course of the year under review. Importantly, this has been achieved through investment in both organic and acquisition led growth, in line with our aim to become a UK plastics business of scale. Overall, Group trading has been strong with sales in line with the upgraded market guidance given in May 2023 and adjusted EBITDA 9.6% ahead. The business is stable, cash generative and backed by a solid balance sheet.

The four acquisitions have integrated well. Each is a specialist plastics business based in the North West of the UK. We are confident there is scope to improve the performance of each business acquired and potential to collaborate across the Group. An example of this is the recent decision to merge Customised Packaging Limited into Manplas Limited, two very similar businesses offering customised product protection solutions. The combination of these businesses will create several synergies, together with an improved customer offer.

As ever, the Group is dedicated to moving towards more sustainable solutions where it is commercially viable to do so and during the year under review, good progress was made towards reaching our sustainability goals.

Results and Financial Position

Trading during the year shows a substantial increase on the prior year. Reported revenue was £35,216,000 (2022: £14,391,000), gross margins were 29.7% (2022: 36.7%) resulting in a gross profit of £10,476,000 (2022: £5,287,000). Underlying EBITDA was £3,882,000 (2022: £1,779,000) and underlying operating profits increased to £2,713,000 (2022: £1,574,000).

The change in gross margin reflects the changes in sales mix from the acquisitions during the year. After investing £11,571,000 in new subsidiaries the gearing remains comfortable at 50.7%. The balance sheet net asset position is strong at £13,848,000 (2022: £11,707,000). This represents a solid asset platform for developing the business.

In March 2023, the Group entered into a new banking facility with Virgin Money. The new facility gives the Group a banking facility of £10.35 million comprising £7.35 million for invoice financing and £3 million for trade financing. In addition, the Group has re-mortgaged the freehold buildings acquired with Film & Foil Solutions Ltd and Alma Products Ltd for a combined £2.1 million which after repaying existing mortgages improved the Group's working capital position by circa £1.4 million.

In July 2023 the Group purchased 400,000 of its own shares into treasury at an average cost of 16.5p. The issued share capital following the sale is now 89,877,589 shares.

Strategic Report

Continued

Chairman's Statement (Continued)

Trading

The year ended 30 April 2023 was an exceptionally productive year for Coral Products plc as we continue to adapt and develop our business to enable us to maximise the opportunities available.

The Company is focused on becoming a UK plastics business of scale and using its established acquisition criteria the Group bought four businesses during the first half of the financial year:

- Film & Foil Solutions Ltd acquired in May 2022, a market leading converter and stockist of flexible packaging film, print lamination film and speciality plastics.
- Alma Products Ltd also acquired in May 2022, is a niche specialist and expert in extrusion, thermoforming and container printing serving the food industry, providing formable plastic sheet for Form-Fill-Seal applications, thermoformed and printed plastic food packaging.
- Manplas Limited acquired in September 2022, is a provider of customised product protection solutions solving logistical problems across multiple sectors with premises that adjoin our largest subsidiary Tatra Rotalac.
- Ecodeck Grids Limited acquired in October 2022, e-commerce led business selling plastic grids with potential to take the manufacture of the grids in-house. In June 2023, the Group acquired a small business which gives the Group a foothold in Spain for the sale and distribution of Ecodeck Grids.

All four acquisitions are specialist design and product led plastics businesses based in the North West of the UK and all are now fully integrated into the Group and performing well.

It is important to highlight that the existing companies also performed well in the period and it is the combination of both that has delivered the positive trading performance for the year. In particular, Tatra Rotalac Limited had a good year with increases in both turnover and operating profit. The operational efficiencies implemented during the previous year continue to pay off and this, combined with the £2 million capital investment into new machinery, will deliver during the next financial year.

Global One Pak Limited continues to focus on future growth and researching new innovative products and markets. The machinery and tooling to manufacture a range of caps and enclosures are on site and production is expected to start during the second half of the new financial year.

Customised Packaging Limited continues to perform well. The focus is on improving efficiencies within the business and as such, following the year end, Customised Packaging Limited was merged into Manplas Limited, taking advantage of the Manplas premises which are adjacent to Tatra Rotalac thereby centralising these operations together. There are quick synergies to come from the combination and through their shared expertise they will offer customers enhanced solutions.

I am very proud to see how everyone within the business has embraced our challenges, opportunities and ambitions. We are reliant on the expertise, professionalism and commitment of our people. I would like to thank them for this, and for the continued commitment that they have shown over the past years whilst having to deal with disruption to both their work and personal lives due to the current economic climate.

Dividend

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. Having made an interim dividend payment of 0.5 pence per share for this financial period the Board are proposing a final dividend of 0.6 pence per share (2022: 1.1p).

Strategic Report

Continued

Chairman's Statement (Continued)

Chairman's Corporate Governance Statement

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

In accordance with the changes to AIM Rule 26 the Company applies the revised QCA Corporate Governance Code published earlier in 2018. I work with key executives throughout the organisation to instil good corporate governance practices in accordance with the Code. Currently I work as both Chairman and Chief Executive Officer, the plan is to split these roles out within the next twelve months.

I am currently performing as both Chairman and Chief Executive Officer. The intention is split these roles out within the next twelve months.

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

Outlook

We are mindful of the macroeconomic and geopolitical risks yet remain confident about the current prospects for our business and its ability to continue its successful evolution. Our continued investment over many years in our people and our systems has generated strong and resilient results in the past year and we believe will continue to do so.

Our continuing priority is to do all we can to keep our workplaces as safe as possible for staff. 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 and due to contracts already negotiated all operations will remain relatively unaffected by the current turmoil in energy prices.

The Group continues with its strategic progress of increasing focus on value-added and innovative products. Our aim is to build a significant specialist plastics business with a bias towards using recycled materials.

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 September 2023

Strategic Report

Continued

Review of the Business

	2023	2022
Group revenue	£35.2m	£14.4m
Total revenue by product type:		
• Extrusion and injection moulded products	£12.2m	£9.5m
• Trigger sprays and nozzles	£1.5m	£2.1m
• Vacuum formed products	£4.7m	£2.8m
• Thermoformed products	£8.6m	-
• Flexible film products	£8.3m	-
Gross profit	£10.5m	£5.3m
Gross margin	29.7%	36.7%
Underlying operating profit (note 6)	£2.7m	£1.6m
Underlying earnings before interest, tax, depreciation and amortisation (note 6)	£3.9m	£1.8m
Finance costs	£(0.5)m	£(0.1)m
Depreciation	£(1.2)m	£(0.2)m
Separately disclosed costs	£(1.0)m	£(0.2)m
Shareholders' equity	£13.8m	£11.7m
Net assets per share	15.3p	14.9p
Gearing	50.7%	n/a
Cash and cash equivalents	£4.8m	£7.6m
Net debt	£(7.0)m	£nil
Secured borrowing facilities	£10.4m	£3.1m

Separately disclosed costs resulted from due diligence costs, legal and professional fees from the acquisitions, intangibles amortisation, reorganisation costs and share-based payment charges.

The borrowing facilities are held with Virgin Bank and the Group continues to enjoy a positive relationship with its bank. The 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.

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 can hedge any exposure on its sales by purchasing raw materials in Euros. Thus, it can mitigate partly its currency risks.

Cash deposits and financial transactions give rise to credit risk if 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. Because of these controls, the probability of material loss is considered to be at an acceptable level.

Strategic Report

Continued

Key Performance Indicators (KPIs)

KPI's are designed to measure the development, performance and position of the business. The 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. These are monitored on a regular basis at Board level and, where relevant, at operational executive management meetings as follows:

	2023	2022
Group revenue	£35.2m	£14.4m
Gross margin	29.7%	36.7%
Operating profit/(loss)	£1.7m	£1.4m
Profit/(loss) before tax	£1.3m	£1.3m
Underlying earnings before interest, tax, depreciation and amortisation (note 6)	£3.9m	£1.8m
Underlying operating profit (note 6)	£2.7m	£1.6m
Gearing	50.7%	n/a

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

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.

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.

Strategic Report

Continued

Section 172 Statement (Continued)

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.

Risks and Uncertainties

The Board has overall responsibility for risk management, the supporting system of internal controls and for reviewing their effectiveness. The Group operates a policy of continuous identification and review of business risks. This includes the monitoring of key risks, identification of emerging risks and consideration of risk mitigations after considering risk appetite and the impact of how those risks may affect the achievement of business objectives.

The risks and uncertainties that the business faces evolve over time and executive directors and senior management are delegated the task of implementing and maintaining controls to ensure that risks are managed appropriately. The Group's risk management framework is designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

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 regarding the Euro and US Dollar, as many of the Group's materials are purchased in these currencies.
- 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.

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.

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.

Strategic Report

Continued

Risks and Uncertainties (Continued)

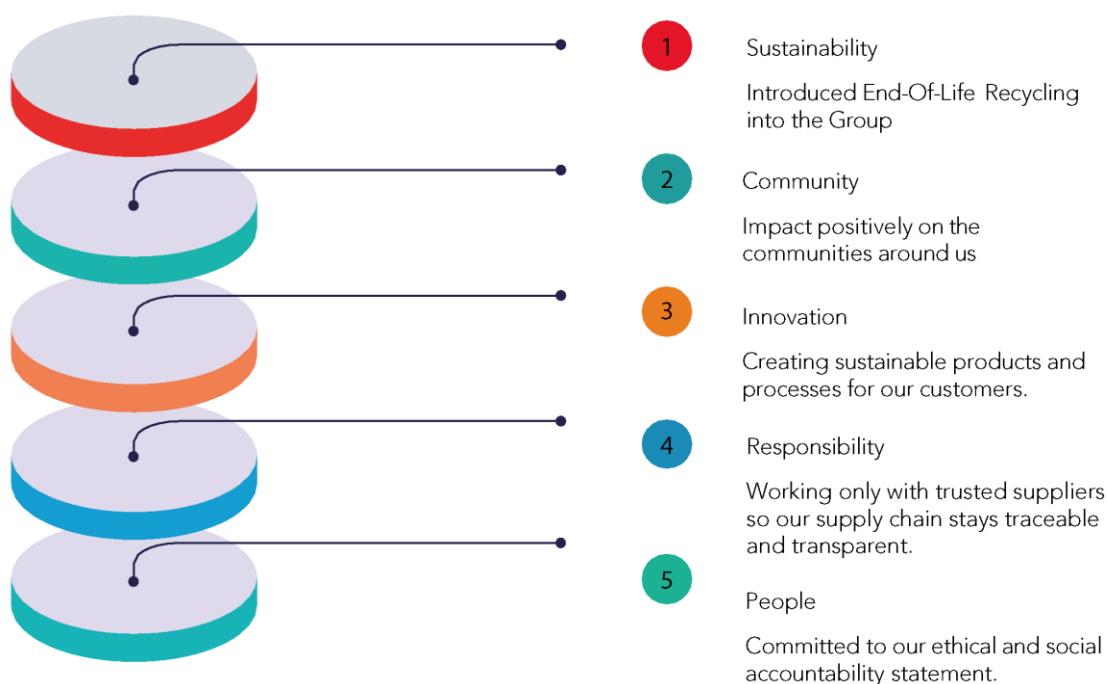
The Group also continues to have in place a team of Board members whose on-going responsibility is to assess the issues which the Group would face should it experience a major and unforeseen disaster and to put in place clear actions to continue to operate successfully in such an event.

Corporate Responsibility

Our principles

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 ESG is fundamental to our operating practices. It is our focus to work alongside all our subsidiaries to deliver the five ESG principles outlined below:



Our ESG commitment is discussed at board level, we demonstrate our commitment to our local and wider community by 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.

We encourage suppliers to actively consider ESG, to ensure 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.

Strategic Report

Continued

Corporate Responsibility (Continued)

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.

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 who have high reputations within the plastics industry.

The Group's corporate responsibility 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 to develop and manufacture safe, legal packaging materials. The Group is often audited by its customers to assess compliance with minimum acceptable standards.

Equal Opportunities and Diversity

The Group is an equal opportunities employer and offers career opportunities without discrimination. Whilst acknowledging the benefits of diversity, individual appointments are made irrespective of personal characteristics such as race, disability, gender, sexual orientation, religion or age. Our policy is to treat all employees fairly and equally regardless of gender, sexual orientation, marital status, race, colour, nationality, religion, ethnic or national origin, age or disability.

Women account for 16% of the Group workforce as at 30 April 2023.

Position	Male	Female	Total
Group Directors	6	1	7
Senior Managers	17	4	21
Other Employees	133	25	158
Total Employees	156	30	186

Strategic Report

Continued

Corporate Responsibility (Continued)

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. 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.

We have a good track record of promoting from within; many of our executive directors were promoted to the Board having previously served as employees. We aim to realise our employees' potential by supporting their career progression wherever possible. The Group invests significantly in the training and development of staff and in education programmes which contribute to the promotion prospects of employees. We believe that these opportunities will help employees feel supported and equipped to carry out their role to the best of their ability.

Our employees can access a range of development tools or appropriate job-specific training within each area of the business. This includes:

- Job role-specific training covering technical, operational and skills training;
- Individually tailored training to address both an employee's individual needs and specific business requirements; and
- Training in areas such as health and safety, first aid and manual handling to ensure our employees work in a safe environment.

Ethical Trading

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.

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 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.

Strategic Report

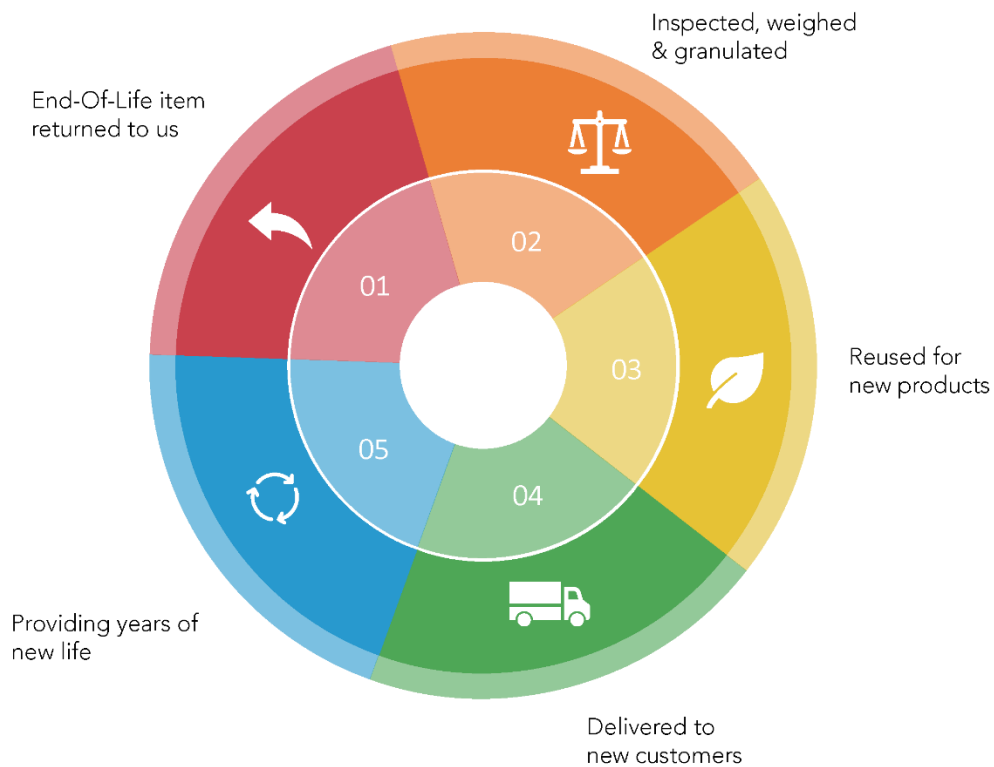
Continued

Corporate Responsibility (Continued)

Recycling

We offer End-of-Life recycling, where customers and users can return products to us once they have reached the end of their life cycle for recycling and reprocessing. Our manufacturing subsidiaries are taking steps in providing a circular strategy by using recycled and reprocessed materials as a sustainable alternative wherever product specification permits.

End of Life Recycling



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.

The strategic report has been approved by the board and signed on its behalf by:

Sharon Tinsley

Finance Director

4 September 2023

Directors and Advisers

Non-executive Directors

David Low, *Non-executive*

David was appointed on 4 September 2015. He has over 30 years' experience in investment management and management consultancy. He is a shareholder in several private companies involved in asset trading platforms, sport and leisure, theatrical production and vinyl pressing.

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. In 2003 he co-founded Interpack Limited and was a director 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 appointed as non-executive Chairman at the GM 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' 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 and 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.

Phillip Allen, *Group Operations Director*

Phil was appointed in April 2022. He has a wealth of experience having worked in the plastics industry for over 35 years. He joined Tatra Plastics in 2011 which was acquired by the Group in 2016 and subsequently merged with Rotalac Plastics to form Tatra-Rotalac Ltd. He became the Managing Director of Tatra-Rotalac in 2018 and Customised Packaging in 2022.

Ian Hillman, *Director*

Ian joined Coral through the acquisition of Film & Foil Solutions Ltd in May 2022. Ian was the Managing Director of Film & Foil for 13 years and continues to lead the business. Prior to this, Ian has spent most of his career in the paper and plastic manufacturing industries holding senior, leadership and strategic directorships in large, global organisations in the UK and North America, including St Regis Paper (part of DS Smith PLC) and Mead Westvaco Corporation.

Registered Office

Southmoor Road Wythenshawe
Manchester M23 9DS
UK Registered Number: 02429784

Auditor

Crowe UK LLP
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

Solicitors

Legal Clarity Lawyers LLP
55 Newhall Street
Birmingham
B3 3RB

Bankers

Virgin Money
48-50 Market Street
Manchester
M1 1PW

Registrar

Share Registrars Limited
3 The Millennium Centre
Crosby Way
Farnham, Surrey
GU9 7XX

Broker & Nominated Advisor

Cenkos Limited
6.7.8 Tokenhouse Yard
London
EC2R 7AS

PR Adviser

Novella Communications
South Wing
Somerset House
London
WC2R 1LA

Directors' Report

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 financial statements in accordance with UK adopted International Accounting Standards and Parent Company financial statements in accordance with FRS101 (UK GAAP). 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 UK adopted International Accounting Standards, 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.

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.
- **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.

Directors' Report

continued

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. Several 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.

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 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.

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. 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.

Joe Grimmond is currently performing both Chairman and Chief Executive Officer roles. The intention is to split these roles out within the next twelve months.

Auditor

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

Directors' Report

Continued

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.

General Meeting

At the meeting, resolutions will be prepared to receive the audited accounts and approve the Remuneration Report, to elect directors and to re-appoint Crowe UK LLP as auditor and 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.

Results and Dividends

The results for the year are set out on the income statement.

During the year the following dividend payments were made:

	£'000
For the year ended 30 April 2022:	
Second interim dividend of 0.4p paid 1 June 2022	334
Final dividend of 0.2p paid 30 November 2022	181
For the year ended 30 April 2023:	
Interim dividend of 0.5p paid 16 December 2022	451
	966

A final dividend of 0.6p per share is recommended in respect of the year ended 30 April 2023 to be paid on 30 November 2023 to shareholders on the register at the close of business on 3 November 2023. This final dividend is subject to approval by shareholders at the General Meeting and has not been included as a liability in these financial statements.

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.

Directors

Ian Hillman was appointed a director on 30 November 2022.

Directors' Report

Continued

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 2023 Number	Ordinary shares of 1p each 30 April 2022 Number
Joe Grimmond	6,488,337	6,413,337
Paul Freud	2,344,733	2,298,333
David Low	1,305,000	1,305,000
Sharon Tinsley	162,783	162,783
Steve Barber	2,000,000	2,000,000
Ian Hillman	4,838,710	Nil
	17,184,563	12,179,453

Between the year-end date and the date of this report no further shares were purchased by the directors.

Substantial Interests

As at 27 July 2023, 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
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	9,338,989	10.39
JIM NOMINEES LIMITED	7,611,655	8.47
HARGREAVES LANSDOWN (NOMINEES) LIMITED	7,297,807	8.12
RATHBONE NOMINEES LIMITED	6,911,925	7.69
RENE NOMINEES (IOM) LIMITED	4,716,720	5.25
LAWSHARE NOMINEES LIMITED	4,661,007	5.19
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	3,175,195	3.53
KELLY LOUISE STAPLES	3,125,000	3.48
MATTHEW PAUL STAPLES	3,125,000	3.48
VIDACOS NOMINEES LIMITED	2,862,018	3.18

Share Capital

At the previous 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 General Meeting at which a special resolution will be proposed to renew the authority for a further year. As part of the consideration in acquiring the new subsidiaries during the financial year the company issued all its own shares as part of the acquisitions during the year, making a total of nil shares remaining at the year-end (2022: 7,303,655).

By order of the Board

S Tinsley

Company Secretary

4 September 2023

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 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

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 contributes up to 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 (2022: Nil).

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
Phillip Allen	May 2022	6 months
Ian Hillman	November 2022	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 £40,000. 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 GM.

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:

	2023 Executive £'000	2023 Non- executive £'000	2023 Total £'000	2022 Total £'000
Emoluments	577	61	638	341
Pension contributions - defined contribution scheme	26	-	26	9
Share based payment	-	-	-	-
	603	61	664	350

Emoluments – Executive Directors

	2023 Basic salary £'000	2023 Bonuses £'000	2023 Benefits-in- kind £'000	2023 Pension £'000	2023 Share based payment £'000	2023 Total £'000	2022 Total £'000
Paul Freud	100	-	-	-	-	100	100
Sharon Tinsley	78	-	2	9	4	93	80
Phil Allen	112	20	3	9	7	151	-
Joe Grimmond	150	-	-	-	-	150	108
Ian Hillman	100	-	1	8	-	109	-
	540	20	6	26	11	603	288

Emoluments – Non-executive Directors

	2023 £'000	2022 £'000
David Low	32	32
Steve Barber	29	30
	61	62

By order of the Board

Joe Grimmond

Chairman of the Remuneration Committee

4 September 2023

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.

External Auditor

The Committee reviewed the effectiveness of the audit process in respect of the year ended 30 April 2023. In doing so, the Committee considers the reports produced by Crowe, met the audit engagement partner, and discussed the audit with the CFO. The Committee continues to be satisfied that the external auditors are delivering the necessary scrutiny and robust challenge in their work. Accordingly, the Committee recommended to the Board that it is appropriate to re-appoint Crowe as the Group's external auditors for the next financial year.

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 September 2023

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

Opinion

We have audited the financial statements of Coral Products PLC (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 April 2023 which comprise:

- the Group Income Statement for the year ended 30 April 2023;
- the Group Statement of Comprehensive Income for the year ended 30 April 2023;
- the Group and Parent Company Balance Sheets as at 30 April 2023;
- the Group and Parent Company Statements of Changes in Shareholders' Equity for the year ended 30 April 2023;
- the Group Cashflow Statement for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- 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 2023 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 Company's ability to continue to adopt the going concern basis of accounting included obtaining and reviewing management's assessment of going concern. Our evaluation of the directors' assessment of the Group's and parent company's abilities to continue to adopt the going concern basis of accounting included:

- obtaining and agreeing management's going concern assessment to the Board approved budget;
- obtaining confirmation for the financing facilities including nature of facilities, repayment terms and covenants to ensure that these facilities remain available;
- testing the model used to prepare the forecasts to ensure that the formulae within the spreadsheet were appropriate;
- identifying revenue growth and gross margin as the key assumptions inherent in the plan and validating these to historical precedent;
- assessing post year end performance including revenues received and gross margins compared to budget;
- assessing the historical accuracy of forecasts prepared by management compared to actual results in the year;
- validating forecasts are consistent with those used to support the valuation of intangible assets;
- consideration as to whether there is any evidence of management bias in the preparation of the going concern assessment; and
- assessing the appropriateness of the disclosure in the financial statements relating to the going concern position of the group, including consideration that there is no material uncertainty identified.

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 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 of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

Group materiality	£110,000
Group performance materiality	£77,000
Parent Company materiality	£77,000
Parent Company performance materiality	£54,000
Basis for Group materiality	0.3% of turnover
Basis for Parent Company materiality	0.8% of net assets
Rationale for the benchmark adopted	Coral Products PLC is AIM listed, with the intention to acquire and grow the group. Operating profit is considered to be the key KPI for the Group and is used for business decision making and used by the investor/shareholder community. The parent company is a holding company and therefore net assets is deemed to be an appropriate benchmark

We agreed with the Audit Committee that we would report to the committee all individual audit misstatements identified during the course of our audit in excess of £5,500. We also agreed to report misstatements below these thresholds that, in our view, warranted reporting on qualitative grounds.

Overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

For the four significant components we identified, we performed a full scope audit of the complete financial information. For the remaining components, we performed analytical reviews and other audit procedures on specific accounts within that component 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.

Audits of the components were performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relative scale of the business concerned.

The group audit team conducted the audit of all components of the business and no component auditors were used during the audit process.

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

Continued

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. These matters included 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.

This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How the scope of our audit addressed the key audit matter</i>
<p><i>Impairment of goodwill and other intangibles (Group)</i></p> <p>As described in Note 2 (Accounting policies), Note 14 (Goodwill) and Note 15 (the intangible assets), the Group has goodwill and intangible assets, which requires management to review these balances for impairment at least annually or where there are any indicators of impairment.</p> <p>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.</p>	<p>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</p> <ul style="list-style-type: none">• future trading projections and cash flow forecasts;• the discount rate applied; and• the long- term growth rate. <p>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 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 prepared a sensitivity analysis to understand the relative impact of changes in the key assumptions within the impairment models..</p> <p>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 and accordingly no impairment was required.</p>

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

Continued

Investments impairment review (Company)

The Company statement of financial position for 30 April 2023 includes investments in subsidiaries of £14,984k (see note 13 of the financial statements).

As with goodwill, management must apply IAS 36 to determine if there is a requirement to impair the value of each investment and the policy is set out in note 2 of the financial statements. Where the expected future economic benefit is less than the asset value there is a requirement to impair to fair value.

We addressed this risk by obtaining, reviewing and challenging the underlying assumptions behind management's detailed impairment assessment of investments in subsidiaries.

Where this assessment is dependent on future performance, our review included challenging budgeted revenue and profitability, requesting and considering a range of scenarios, especially where a reasonably possible change in assumptions might give rise to an impairment.

As explained in note 13, investments have been impaired by £2.1m following a deterioration in market conditions.

Business combinations and acquisition accounting

During the year, the Group completed acquisitions of Film & Foil, Alma Products, Ecodeck and Manplas, disclosed in note 13.

The Group has determined these acquisitions to be business combinations, the accounting for which can be complex. For the acquisitions, the Group determined the amounts to be recognised for the fair value of both the consideration paid and the acquired assets and liabilities. This can involve significant estimates and judgements including, at the acquisition date, determining how the purchase price is to be allocated between acquired assets and liabilities and identified intangible assets, and leading to the resultant recognition of goodwill at their respective fair values.

There is a risk that inappropriate assumptions could result in material errors in the acquisition accounting.

The Group used projected financial information in the purchase price allocation (PPA) exercise. Management use their best knowledge to make estimates when utilising the Group's valuation methodologies. In order to determine the fair value of the separately identifiable intangible assets on a business combination, the valuation methodologies require input based on assumptions about the future and use discounted cash flows and cash flow forecasts.

Due to the Group's estimation process in the PPA exercise and the work effort from the audit team, business combinations is considered a key audit matter.

Our procedures included the following:

- Assessing whether the acquisition during the year met the criteria of a business combination in accordance with IFRS 3: Business Combinations;
 - Assessing the competence and independence of third party engaged in undertaking the PPA valuation for Management;
 - Reviewing the asset purchase agreement in respect of the business combination to understand the nature and terms of the transaction and to agree the consideration paid;
 - Validating whether the date of acquisition was correctly determined by scrutinising the key transaction documents to understand key terms and conditions;
 - Assessing the fair value of assets and liabilities recorded in the purchase price allocation, by performing procedures including considering the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations and this would also include assessment on the reasonableness of the useful lives of the intangible assets and the consideration given;
 - Assessing and challenging the valuation techniques, assumptions (including those relating to growth rates and discount rates), models and calculations used to determine the fair value of the separately identifiable intangible assets recognised on date of acquisition;
 - Assessing the amount of goodwill recognised on acquisition; and
 - Assessing the disclosures in respect of the business combination.
-

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

Continued

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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 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.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 14, 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 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

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:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Company operates. We also considered and obtained an understanding of the UK legal and regulatory framework which we considered in this context were the Companies Act 2006 and UK taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and misstatement of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals. We also reviewed and challenged accounting estimates and assumptions used by management for the valuation of goodwill, intangible assets existence of revenue and revenue cut off, in order to verify that the calculations and models were reasonable and free of biases. We selected a sample of transactions around the year end to verify that revenue cut off had been applied correctly and also a sample of transactions throughout the period to ensure existence by agreeing to proof of delivery and proof of receipt of payments.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Use of our report

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

Michael Jayson (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Manchester
4 September 2023

Group Income Statement

for the year ended 30 April 2023

	Note	2023 £'000	2022 £'000
Revenue	5	35,216	14,391
Cost of sales		(24,740)	(9,104)
Gross profit		10,476	5,287
Operating costs			
Distribution expenses		(1,301)	(787)
Administrative expenses before other separately disclosed items		(6,462)	(2,926)
Other separately disclosed items	6	(1,003)	(162)
Administrative expenses		(7,465)	(3,088)
Operating profit	7	1,710	1,412
Finance costs	8	(458)	(82)
Profit for the financial year before taxation		1,252	1,330
Taxation	10	6	(363)
Profit for the financial year attributable to the equity holders of the parent		1,258	967
Basic earnings/(loss) per ordinary share	11	1.44p	1.19p
Diluted earnings/(loss) per ordinary share	11	1.44p	1.17p

Group Statement of Comprehensive Income

for the year ended 30 April 2023

	2023 £'000	2022 £'000
Profit for the financial year	1,258	967
Total other comprehensive profit/(loss)	-	-
Total comprehensive income for the year attributable to equity holders of the parent	1,258	967

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

Balance Sheets

as at 30 April 2023

Company reference: 02429784

	Note	Group		Parent Company	
		As at 30 April	As at 30 April	As at 30 April	As at 30 April
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
ASSETS					
Non-current assets					
Goodwill	14	4,385	1,945	-	-
Other intangible assets	15	2,956	916	-	-
Property, plant and equipment	16	7,209	749	3,040	-
Right of use assets	17	2,870	1,393	-	-
Investments in subsidiaries	13	-	-	14,984	6,975
Total non-current assets		17,420	5,003	18,024	6,975
Current assets					
Inventories	18	4,320	1,781	-	-
Trade and other receivables	19	7,193	3,237	359	230
Cash and cash equivalents		4,774	7,589	450	4,810
Assets held for sale	21	200	-	200	-
Total current assets		16,487	12,607	1,009	5,040
LIABILITIES					
Current liabilities					
Other borrowings	22	6,063	1,389	84	-
Lease liabilities	22	970	416	-	-
Trade and other payables	20	7,218	2,800	7,167	577
Total current liabilities		14,251	4,605	7,251	577
Net current assets/(liabilities)		2,236	8,002	(6,242)	4,463
Non-current liabilities					
Term loan	22	3,263	-	2,010	-
Lease liabilities	22	1,505	907	-	-
Deferred tax	10	1,040	391	(18)	1
Total non-current liabilities		5,808	1,298	1,992	1
NET ASSETS		13,848	11,707	9,790	11,439
SHAREHOLDERS' EQUITY					
Share capital	25	903	859	903	859
Share premium		-	5,621	-	5,621
Treasury shares		-	(1,008)	-	(1,008)
Other reserves		-	1,061	-	1,061
Retained earnings		12,945	5,174	8,887	4,906
TOTAL SHAREHOLDERS' EQUITY		13,848	11,707	9,790	11,439

The financial statements were approved and authorised for issue by the Board of Directors on 4 September 2023 and were signed on its behalf by:

Joe Grimmond
Director

Sharon Tinsley
Director

An income statement is not provided for the parent Company as permitted by section 408 of the Companies Act 2006. The loss dealt with in the financial statements of Coral Products PLC was £2,532,000 (2022: £285,000 loss).

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 2023

Group	Note	Called Up	Share	Treasury	Other	Retained	Total
		Share	Premium				
		Capital	Reserve	Shares	Reserves	Earnings	Equity
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2021		859	5,621	(218)	1,567	4,908	12,737
Profit for the year		-	-	-	-	967	967
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	21	21
Purchase of treasury shares		-	-	(790)	-	-	(790)
Revaluation Reserve		-	-	-	(506)	506	-
Dividend paid	12	-	-	-	-	(1,228)	(1,228)
At 1 May 2022		859	5,621	(1,008)	1,061	5,174	11,707
Profit for the year		-	-	-	-	1,258	1,258
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	36	36
New shares		44	650	-	-	-	694
Cancellation of share premium account		-	(6,271)	(111)	(1,061)	7,443	-
Issue of treasury shares as consideration on acquisitions		-	-	1,119	-	-	1,119
Dividend paid	12	-	-	-	-	(966)	(966)
At 30 April 2023		903	-	-	-	12,945	13,848

Parent Company	Note	Called Up	Share	Treasury	Other	Retained	Total
		Share	Premium				
		Capital	Reserve	Shares	Reserves	Earnings	Equity
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 May 2021		859	5,621	(218)	1,567	5,892	13,721
Loss for the year		-	-	-	-	(285)	(285)
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	21	21
Purchase of treasury shares		-	-	(790)	-	-	(790)
Revaluation Reserve		-	-	-	(506)	506	-
Dividend paid	12	-	-	-	-	(1,228)	(1,228)
At 1 May 2022		859	5,621	(1,008)	1,061	4,906	11,439
Loss for the year		-	-	-	-	(2,532)	(2,532)
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	36	36
New shares		44	650	-	-	-	694
Cancellation of share premium account		-	(6,271)	(111)	(1,061)	7,443	-
Sale of treasury shares		-	-	1,119	-	-	1,119
Dividend paid	12	-	-	-	-	(966)	(966)
At 30 April 2023		903	-	-	-	8,887	9,790

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

Cash Flow Statements

for the year ended 30 April 2023

	Note	Group		Parent Company	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash flows from operating activities					
Profit for the year		1,258	967	(2,532)	(285)
Adjustments for:					
Depreciation of property, plant and equipment	16	464	165	-	-
Depreciation of right of use assets	17	705	296	-	-
Amortisation of intangible assets	15	513	327	-	-
Share based payment charge	24	36	21	-	-
Profit on disposal of building		-	(424)	-	(424)
Impairment of investment	13	-	-	2,085	500
Interest payable	8	458	82	12	-
Taxation charge/(credit)	10	(6)	363	(17)	119
Operating cash flows before movements in working capital		3,428	1,797	(452)	(90)
Decrease/(increase) in inventories		1,219	47	-	-
Decrease/(increase) in trade and other receivables		999	82	(130)	650
Increase/(decrease) in trade and other payables		(6,769)	761	1,975	(61)
Cash generated by operations		(1,123)	2,687	1,393	499
UK corporation tax received		-	-	-	-
Net cash generated from/ (used in) operating activities		(1,123)	2,687	1,393	499
Cash flows from investing activities					
Net cash on disposal of building		-	3,500	-	3,500
Acquisition of subsidiary		(4,313)	-	(6,869)	-
Acquisition of property, plant and equipment	16	(2,080)	(206)	-	-
Net cash generated from/ (used in) investing activities		(6,393)	3,294	(6,869)	3,500
Cash flows from financing activities					
New bank borrowings raised	26	3,496	-	2,100	-
Dividends paid	12	(966)	(1,228)	(966)	(1,228)
Interest paid on bank borrowings	26	(19)	-	(12)	-
Interest paid on invoice discounting		(344)	(22)	-	-
Interest paid on lease liabilities	26	(95)	(60)	-	-
Repayments of bank borrowings	26	(814)	-	(6)	-
Repayments of obligations under lease liabilities	26	(867)	(171)	-	-
Purchase of treasury shares		-	(790)	-	(790)
Movement in invoice discounting facility		4,310	36	-	-
Net cash generated from/ (used in) financing activities		4,701	(2,235)	1,116	(2,018)
Net increase in cash and cash equivalents		(2,815)	3,746	(4,360)	1,981
Cash and cash equivalents at 1 May		7,589	3,843	4,810	2,829
Cash and cash equivalents at 30 April		4,774	7,589	450	4,810

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 2023

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 2023 comprise the Company and its subsidiaries (together referred to as the 'Group'). The address of the registered office is given on the Directors and Advisors page. An overview of the business and 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 Business Overview and Chairman's Statement. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report.

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 consolidated financial statements have been prepared on a historical cost basis (except for certain financial instruments, land and buildings and share-based payments that have been measured at fair value), and in accordance with the AIM Rules and UK adopted International Accounting Standards.

The Parent Company financial statements of Coral Products Plc (the "Company") have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework and as required by the Companies Act 2006.

No profit and loss account is presented by the Company as permitted by section 408 of the Companies Act 2006.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of the following disclosure exemptions conferred by FRS101:

- certain disclosures regarding the Company's capital;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with other wholly-owned members of the Coral Group.

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 have not adopted any new or revised standards in the annual financial statements for the year ended 30 April 2023.

New Standards, Amendments and Interpretations Not Yet Effective

At the date of authorisation of these financial statements, there are no amended standards and interpretations issued by the UK Endorsement Board that impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

Notes to the Financial Statements

for the year ended 30 April 2023

Basis of Consolidation

The Group's financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 30 April 2023. 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 well as the Group's principal risks and uncertainties. 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.

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 renewed annually. 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 in March 2024.

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; and
- Legislative and regulatory risk as new requirements are being imposed on plastic businesses.

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

Notes to the Financial Statements

for the year ended 30 April 2023

Going Concern (continued)

Having taken all 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.

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.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Each element of revenue (described below) is recognised only when:

1. provision of the goods or services has occurred;
2. consideration receivable is fixed or determinable; and
3. collection of the amount due from the customer is reasonably assured

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 2023

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.

Notes to the Financial Statements

for the year ended 30 April 2023

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 excluding plant and equipment are depreciated over the lease term. Plant and equipment are depreciated over their estimated useful life, using the straight-line method.

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 as 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%

Notes to the Financial Statements

for the year ended 30 April 2023

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.

Notes to the Financial Statements

for the year ended 30 April 2023

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.

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 to generate cash flows and returns. The Group assesses 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 give 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.

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.

Notes to the Financial Statements

for the year ended 30 April 2023

Financial Assets and Liabilities (continued)

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 considering 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 several 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 (considering 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.

Notes to the Financial Statements

for the year ended 30 April 2023

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 to dismantle and remove the asset 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.

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 2023.

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 from the number of options expected to vest, 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.

Notes to the Financial Statements

for the year ended 30 April 2023

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 paid (for an interim dividend) or when approved by the members (for a final dividend) 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 have 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 share premium.

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 to calculate present value (see note 14).

Notes to the Financial Statements

for the year ended 30 April 2023

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; and
- Legislative and regulatory risk as new requirements are being imposed on plastic businesses.

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

Notes to the Financial Statements

for the year ended 30 April 2023

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).

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. The Group uses a mixture of fixed and variable rate loan and finance lease facilities to mitigate its interest rate exposure. The Group currently only has borrowings in sterling and all loans are on a fixed rate basis.

Foreign Currency Risk

The Group conducts business in Sterling, Dollars 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 is 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. See note 22 for the maturity profile of the Group's bank borrowings and lease liabilities. The trade and other payables are all due within 1 year.

Credit Risk

Cash deposits and financial transactions give rise to credit risk if 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, treasury shares, other reserves 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. 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.

Notes to the Financial Statements

for the year ended 30 April 2023

5. REVENUE

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

	2023	2022
	£'000	£'000
UK	34,633	13,799
Rest of Europe	91	134
Rest of the World	492	458
	<u>35,216</u>	<u>14,391</u>

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

	2023	2022
	£'000	£'000
Extrusion and injection moulding	12,189	9,468
Trigger sprays and nozzles	1,466	2,094
Flexi films	8,302	-
Vacuum forming	13,259	2,829
	<u>35,216</u>	<u>14,391</u>

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 either the year ended 30 April 2023 or 30 April 2022.

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

Notes to the Financial Statements

for the year ended 30 April 2023

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.

	2023	2022
	£'000	£'000
Operating profit/(loss)	1,710	1,412
Separately disclosed items within administrative expenses		
Share based payment charge (note 24)	36	21
Amortisation of intangible assets (customer relationships and brands) (note 15)	513	327
Reorganisation costs	123	158
Acquisition costs	331	-
Gain on sale of land and buildings	-	(383)
One off cost of living payment to all staff	-	39
Total separately disclosed items	1,003	162
Underlying operating profit	2,713	1,574
Depreciation	1,169	205
Underlying EBITDA	3,882	1,779
Separately disclosed items (excluding amortisation)	(490)	165
EBITDA	3,392	1,944
Profit/(loss) before tax	1,252	1,330
Separately disclosed items	1,003	162
Underlying profit/(loss) before tax	2,255	1,492

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

Separately disclosed items in the current year include the cost of moving banks of £62,000, redundancy costs of £12,000, acquisition costs of £331,000 of which £309,000 relates to the four acquisitions during the year and other professional fees of £49,000.

Separately disclosed items in the prior year include acquisition costs of £78,000, compensation for loss of office of £79,000, other professional fees of £2,000, and a cost-of-living payment to each employee to assist with the cost-of-living crisis of £39,000.

Notes to the Financial Statements

for the year ended 30 April 2023

7. OPERATING PROFIT

	2023	2022
	£'000	£'000
This is stated after charging/(crediting) the following		
Staff costs (note 9)	6,462	2,933
Impairment loss recognised on trade receivables	-	-
Cost of inventories recognised as expense	19,156	7,231
Net foreign exchange gains	9	3
Depreciation of property, plant and equipment (note 16)	464	184
Depreciation of right of use assets (note 17)	705	21
Amortisation of intangible assets (note 15)	513	327
Auditors' remuneration for statutory audit services to this Company	18	30
Auditors' remuneration for statutory audit services to subsidiaries	99	60

Non-audit fees of £nil (2022: £nil) were payable to the auditor.

8. FINANCE COSTS

	2023	2022
	£'000	£'000
Interest payable on lease liabilities	95	60
Interest payable on invoice discounting facilities	344	22
Interest payable on term loans	19	-
	458	82

Notes to the Financial Statements

for the year ended 30 April 2023

9. STAFF COSTS

	2023	2022
	No.	No.
Average number of employees (including executive directors) comprised		
Production	122	45
Selling and distribution	25	9
Administration	39	14
Average number of employees	186	68

	2023	2022
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	5,926	2,536
Social security costs	366	318
Other pension costs	134	58
Total remuneration before share option charge	6,426	2,912
Share option charge	36	21
Total remuneration	6,462	2,933

Other than the Directors, the parent company has no employees (2022: nil). Details of Directors' emoluments are shown in the Directors' Remuneration Report.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

	2023	2022
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	444	277
Social security costs	66	32
Other pension costs	35	17
Share option charge	11	21
	556	347

Notes to the Financial Statements

for the year ended 30 April 2023

10. TAXATION

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

Group	2023 £'000	2022 £'000
Current tax		
Current tax on profit/(loss) for the year	(10)	296
Deferred tax		
Reversal of temporary differences	4	67
Total taxation credit for the financial year	(6)	363

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are reconciled as follows:

Reconciliation of taxation credit

	2023 £'000	2022 £'000
Profit/(loss) on ordinary activities before tax	1,252	1,330
Tax on profit on ordinary activities at 19% standard rate of tax (2022: 19%)	238	253
Non-deductible expenses	87	28
Deferred tax not recognised	(171)	(50)
Chargeable gain/(losses)	-	166
Income not taxable	(19)	-
Fixed assets timing differences	(123)	(108)
Tax rate changes	53	93
Effects of group/other reliefs	(65)	-
Other differences	(6)	(19)
Total taxation charge/(credit)	(6)	363

Deferred tax liability – Group	2023 £'000	2022 £'000
Opening balance	391	315
Acquired as part of business combination	627	-
Adjustment in respect of prior years	8	(19)
Credited to the income statement	14	67
Closing balance	1,040	391
Comprising:		
Accelerated capital allowances	973	181
Other temporary differences	(64)	(17)
Liability arising on business combination	131	229
	1,040	391

Notes to the Financial Statements

for the year ended 30 April 2023

10. TAXATION (continued)

Parent Company	2023	2022
	£'000	£'000
Current tax		
Current tax credit for the year	-	118
Deferred tax		
Fixed asset timing differences	(17)	1
Total taxation credit for the financial year	(17)	119

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are reconciled as follows:

Reconciliation of taxation credit

	2023	2022
	£'000	£'000
Profit/(loss) on ordinary activities before tax	(2,532)	(165)
Tax on profit/(loss) on ordinary activities at 19% standard rate of tax (2022: 19%)	(481)	(31)
Non-deductible expenses	477	20
Fixed assets timing differences	-	(81)
Chargeable gains/(losses)	-	166
Other differences	(13)	45
Total taxation credit	(17)	119
Deferred tax liability – Parent	2023	2022
	£'000	£'000
At 1 May 2022	(1)	(2)
Credited to the income statement	(17)	1
At 30 April 2023	(18)	(1)
Comprising:		
Other temporary differences	(18)	(1)
	(18)	(1)

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 on 30 April 2023 has been calculated based on the rate as at the report date of 25% (2022: 19%).

Notes to the Financial Statements

for the year ended 30 April 2023

11. EARNINGS PER ORDINARY SHARE

Number of Shares	2023	2022
Weighted average number of shares	88,222,891	85,942,534
Effect of weighted average number of treasury shares	(1,099,823)	(4,828,836)
Weighted average number of shares for the purposes of basic earnings per share	87,123,068	81,113,698
Effect of share options	102,564	1,369,230
Weighted average number of shares for the purposes of diluted earnings per share	87,225,632	82,482,928
	2023	2022
Basic earnings per share	1.44p	1.19p
Diluted earnings per share	1.44p	1.17p
Underlying earnings per share	2.60p	1.39p

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

	2023			2022		
	Earnings	Weighted average number of shares	Earnings per share (pence)	(Loss)/ earnings £'000	Weighted average number of shares	(Loss)/ earnings per share (pence)
	£'000	shares	(pence)	£'000	shares	(pence)
Profit/(loss) for the year	1,258	87,123,068	1.44	967	81,113,698	1.19
Separately disclosed items (note 6)	1,003	-	-	162	-	-
Underlying profit/(loss) for the period	2,261	87,123,068	2.60	1,129	81,113,698	1.39

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.

12. DIVIDENDS PAID AND PROPOSED

	£'000
Second interim dividend for 2022 0.4p paid 1 June 2022	334
Final dividend for 2022 0.2p paid 30 November 2022	181
Interim dividend for 2023 0.5p paid 16 December 2022	451
	966

For the year ended 30 April 2023 an interim dividend of 0.5p was paid 16 December 2022 and a final dividend of 0.6p is to be recommended at the forthcoming GM. The final dividend is subject to approval by shareholders at the General Meeting and has not been included as a liability in these financial statements.

For the year ended 30 April 2022 an interim dividend of 0.5p was paid 3 December 2021, a second interim dividend of 0.4p was paid 1 June 2022 and a final dividend of 0.2p was paid 30 November 2022.

Notes to the Financial Statements

for the year ended 30 April 2023

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS

Parent Company	2023 £'000	2022 £'000
Cost and net book value		
At 1 May	6,975	7,422
Share options granted to employees in subsidiaries (note 24)	36	21
Acquisition of subsidiary	8,783	-
Earn out agreement provision	1,275	32
Impairment of investment in Global One Pak	(2,085)	(500)
At 30 April	14,984	6,975

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
Film & Foil Solutions Limited	Converter of flexible film packaging films	100%	North Florida Road, Haydock, St Helens, WA11 9UB
Alma Products Limited	Manufacture of extrusion, thermoformed mouldings and container printing	100%	Unit 18B, Daresbury Court, Evenwood Close, Runcorn, Cheshire, WA7 1LZ
Ecodeck Grids Limited	Manufacture of eco-friendly landscape and construction products	100%	Southmoor Road, Wythenshawe, Manchester, M23 9DS
Manplas Limited	Manufacture of plastic mouldings	100%	Coldfield Drive, Wythenshawe, Manchester, M23 9GG

Under section 479C of the Companies Act, Coral Products PLC has provided exemptions from audit by parental guarantee for the following subsidiaries:

Company No	Company
04838498	Global One-Pak Limited
05248623	Customised Packaging Limited
01109553	Manplas Limited

Notes to the Financial Statements

for the year ended 30 April 2023

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS (continued)

Business Combinations during the period – Acquisitions

During the year the Group acquired 100% of the voting equity instruments of Film & Foil Solutions Ltd (May 2022), Alma Products Ltd (May 2022), Manplas Ltd (September 2022) and Ecodeck Ltd (October 2022). The principal reason for these acquisitions was to expand the Group's market coverage and product range.

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):

	Book Value £'000s	Adjust- ments £'000s	Fair Value £'000s
Net assets acquired: Film & Foil			
Property, plant and equipment	2,832	318	3,150
Right of use assets		230	230
Inventories	2,224	-	2,224
Trade and other receivables	2,403	-	2,403
Trade and other payables	(6,143)	(206)	(6,349)
Cash and cash equivalents	362	-	362
Intangible assets	-	403	403
Deferred tax liability	-	(97)	(97)
Total net assets	1,678	648	2,326
Net assets acquired: Alma Products			
Property, plant and equipment	1,857	(98)	1,759
Right of use assets		692	692
Inventories	881	-	881
Trade and other receivables	1,813	-	1,813
Trade and other payables	(3,171)	(334)	(3,505)
Cash and cash equivalents	706	-	706
Intangible assets	-	760	760
Deferred tax liability	(51)	(188)	(239)
Total net assets	2,035	832	2,867

Notes to the Financial Statements

for the year ended 30 April 2023

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS (continued)

	Book Value £'000s	Adjustments £'000s	Fair Value £'000s
Net assets acquired: Manplas			
Property, plant and equipment	121	-	121
Right of use assets		976	976
Inventories	341	-	341
Trade and other receivables	585	-	585
Trade and other payables	(1,116)	(976)	(2,092)
Cash and cash equivalents	26	-	26
Intangible assets	-	260	260
Deferred tax liability	78	(57)	21
Total net assets	35	203	238

	Book Value £'000s	Adjustments £'000s	Fair Value £'000s
Net assets acquired: Ecodeck Grids			
Property, plant and equipment	236	-	236
Right of use assets		-	-
Inventories	112	-	112
Trade and other receivables	152	-	152
Trade and other payables	(576)	-	(576)
Cash and cash equivalents	1,462	-	1,462
Intangible assets	-	1,131	1,131
Deferred tax liability	(45)	(285)	(330)
Total net assets	1,341	846	2,187

	Film & Foil £'000s	Alma Products £'000s	Manplas £'000s	Ecodeck £'000s	Total £'000s
Fair value of consideration paid					
Cash	1,531	1,727	200	3,411	6,869
Shares	750	-	100	1,000	1,850
Earnout	-	1,275	-	-	1,275
Total consideration	2,345	3,002	300	4,411	10,058
Net asset value	2,326	2,867	238	2,187	7,618
Goodwill	19	135	62	2,224	2,440

Acquisition costs of £309,000 have been recognised in the statement of comprehensive income.

For Alma Products Ltd, as part of the acquisition agreement, if the EBITDA during the period May 2022 to April 2023 exceeds £300,000 then an earn out will be paid up to a maximum of £1,500,000. An earnout totalling £1,275,000 was paid in July 2023. A liability of £1,275,000 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 entities, which do not qualify for separate recognition. The goodwill recognised will not be deductible for tax purposes.

Notes to the Financial Statements

for the year ended 30 April 2023

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS (continued)

Since the acquisition date the companies have contributed to Group revenues, profit as per below:

Contributions to Group	Film & Foil £'000s	Alma Products £'000s	Manplas £'000s	Ecodeck £'000s	Total £'000s
Revenues	8,302	8,580	1,942	2,526	21,350
Profit	198	463	(105)	126	682
Cashflow	44	272	(127)	108	297

Contributions to Group (annualised)	Film & Foil £'000s	Alma Products £'000s	Manplas £'000s	Ecodeck £'000s	Total £'000s
Revenues	8,302	9,360	3,329	5,052	26,043
Profit	198	505	(180)	252	775
Cashflow	44	297	(218)	216	339

14. GOODWILL

Group	£'000
At 30 April 2021 and 2022	1,945
Additions	2,440
At 30 April 2023	4,385

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:

Subsidiary	2023 £'000	2022 £'000
Customised Packaging Limited	350	350
Tatra Rotalac Limited	961	961
Global One-Pak Limited	634	634
Film & Foil Solutions Limited	19	-
Alma Products Limited	135	-
Ecodeck Grids Limited	2,224	-
Manplas Limited	62	-
	4,385	1,945

Notes to the Financial Statements

for the year ended 30 April 2023

14. GOODWILL (continued)

The Group tests goodwill and intangible assets annually for impairment. The recoverable amount of goodwill and intangibles arising on the acquisition of the subsidiaries 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 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. Pre-tax rates of 12.6 to 13.6% has been used to discount the forecast cash flow. The key assumptions are based on experience for expected changes in future conditions.

15. OTHER INTANGIBLE ASSETS

	Customer relationships £'000	Brands £'000	Total £'000
Group			
Cost			
At 1 May 2021 and 1 May 2022	2,645	322	2,967
Acquired through business combinations	2,265	289	2,554
At 30 April 2023	4,910	611	5,521
Amortisation			
At 1 May 2021	1,558	166	1,724
Charge in the year	295	32	327
At 1 May 2022	1,853	198	2,051
Charge in the year	443	70	513
At 30 April 2023	2,297	268	2,565
Net book value			
At 30 April 2023	2,613	343	2,956
At 30 April 2022	792	124	916

There are no other intangible assets in the parent company.

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

Notes to the Financial Statements

for the year ended 30 April 2023

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 2021	-	166	6,914	44	7,124
Additions	-	13	193	-	206
Transferred from Right of Use assets	-	-	339	24	363
Disposals	-	-	(4,088)	-	(4,088)
At 1 May 2022	-	179	3,358	68	3,605
Additions	-	112	1,968	-	2,080
Acquired through business combinations	3,240	1,053	10,717	133	15,143
Transferred from Right of Use assets	-	-	145	-	145
Transferred to assets held for sale (note 21)	(200)	-	-	-	(200)
Disposals	-	-	(443)	(43)	(486)
At 30 April 2023	3,040	1,344	15,745	158	20,287
Depreciation					
At 1 May 2021	-	166	6,286	42	6,494
Transferred from Right of Use assets	-	-	245	14	259
Charge in the year	-	13	166	6	185
Disposals	-	-	(4,082)	-	(4,082)
At 1 May 2022	-	179	2,615	62	2,856
Acquired through business combinations	-	809	8,970	98	9,877
Transferred from Right of Use assets	-	-	98	-	98
Charge in the year	-	81	358	25	464
Disposals	-	-	(174)	(43)	(217)
At 30 April 2023	-	1,069	11,867	142	13,078
Net book value					
At 30 April 2023	3,040	275	3,878	16	7,209
At 30 April 2022	-	-	743	6	749

	Land and buildings £'000
Parent Company	
Cost or Valuation	
At 1 May 2021 and 1 May 2022	-
Transfer from subsidiary	3,240
Transferred to assets held for sale (note 21)	(200)
At 30 April 2023	3,040

Notes to the Financial Statements

for the year ended 30 April 2023

17. RIGHT OF USE ASSETS

	Property £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 May 2022	1,750	534	209	2,493
Additions	-	331	-	331
Acquired through business combinations	1,437	381	80	1,898
Transferred to ownership	-	(145)	-	(145)
At 30 April 2023	3,187	1,101	289	4,577
Depreciation				
At 1 May 2022	849	144	107	1,100
Transferred to ownership	-	(98)	-	(98)
Charge for the year	527	100	78	705
At 30 April 2023	1,376	146	185	1,707
Carrying amount				
At 30 April 2023	1,811	955	104	2,870
At 30 April 2022	901	390	102	1,393

18. INVENTORIES

	Group		Parent Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Raw materials	1,284	834	-	-
Work in progress	440	406	-	-
Finished goods and goods for resale	2,596	541	-	-
	4,320	1,781	-	-

During the year a provision of £200,000 (2022: £25,000) has been made against inventory for slow-moving stocks. Write-downs of inventories to net realisable value amounted to £nil (2022: £nil).

Notes to the Financial Statements

for the year ended 30 April 2023

19. TRADE AND OTHER RECEIVABLES

	Group		Parent Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Current				
Trade receivables	6,359	2,769	-	-
Less: provision for impairment of trade receivables	(77)	(42)	-	-
	6,282	2,727	-	-
Amounts owed by subsidiary undertakings	-	-	252	136
Other debtors	62	41	40	12
Prepayments and accrued income	850	469	67	82
	7,194	3,237	359	230

The fair value of trade and other receivables approximates to book value on 30 April 2023 and 2022.

The Group is exposed to credit risk with respect to trade receivables due from its customers. The Group currently has around 1,000 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 2023, or the year ended 30 April 2022.

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

	Group		Parent Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Sterling	5,971	2,676	-	-
Euros	304	51	-	-
US Dollars	7	-	-	-
	6,282	2,727	-	-

Notes to the Financial Statements

for the year ended 30 April 2023

19. TRADE AND OTHER RECEIVABLES (continued)

As 30 April 2023 the lifetime expected loss provision for trade receivables is as follows:

Group	Current	Overdue less	Overdue 1 -2	Overdue	Total
	£'000	than 1 month £'000	months £'000	more than 2 months £'000	
Expected loss ratio	0.2%	1.5%	2.5%	3.5%	
Gross carrying amount	2,771	2,230	1,020	338	6,359
Loss provision	(6)	(33)	(25)	(15)	(77)

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening provision for impairment	42	24	-	-
Utilised in the period/unused provision released	(42)	(24)	-	-
Provided in the period	77	42	-	-
Closing provision	77	42	-	-

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.

Notes to the Financial Statements

for the year ended 30 April 2023

20. TRADE AND OTHER PAYABLES

	Group		Parent Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade payables	3,735	1,829	52	29
Other taxes and social security	289	511	118	118
Accruals	2,087	444	1,508	109
Amounts owed to Group undertakings	-	-	4,887	321
Other payables	1,107	16	-	-
	7,218	2,800	7,167	577

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Assets				
Land and buildings at Parr, St Helens	200	-	200	-
Total assets held for sale	200	-	200	-

The unencumbered land and buildings at Parr in St Helens were sold in June 2023 for £225,000.

Notes to the Financial Statements

for the year ended 30 April 2023

22. FINANCIAL LIABILITIES

The maturity profile of the non-current financial liabilities as at 30 April 2023 is set out below:

	Group		Parent Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Borrowings				
Current				
Invoice discounting facility	5,699	1,389	-	-
Term loan	364	-	84	-
Lease liabilities	970	416	-	-
	7,033	1,805	84	-
Non-current				
Lease liabilities	1,505	907	-	-
Term loan	3,263	-	2,010	-
	4,768	907	2,010	-

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

	2023	2022
Invoice discounting facility	2.35% over base	2.3% over base
Lease liabilities	5.6%	5.6%

The term loans and 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 of 30 April 2023 and 30 April 2022. The invoice discounting facility was moved to Virgin Money in February 2023, the interest rate is 2.35% over base. The term loan is over 5 years and has an interest rate of 6.82%.

The maturity profile of the non-current financial liabilities as at 30 April 2023 is set out below:

	Group		Parent Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
In more than one year but not more than two years				
Lease liabilities	970	364	-	-
Term loan	364	-	84	-
In more than two years but not more than five years				
Lease liabilities	535	543	-	-
Term loan	2,899	-	1,926	-
	4,768	907	2,010	-

Undrawn borrowing facilities

The Group has a maximum Invoice Discounting Facility of £7.4m, subject to debtor levels and restrictions and a maximum Trade Facility of £3m, subject to stock levels and restrictions.

Notes to the Financial Statements

for the year ended 30 April 2023

23. LEASE LIABILITIES

	Property £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
At 1 May 2022	892	326	105	1,323
Additions – new leases	-	196	-	196
Additions – acquired through business combinations	1,437	308	78	1,823
Discounted payments	(546)	(241)	(80)	(867)
Disposals	-	-	-	-
At 30 April 2023	1,783	589	103	2,475
Current liabilities	602	137	72	811
Non-current liabilities	1,181	452	31	1,664
At 30 April 2023	1,783	589	103	2,475

The maturity analysis for lease liabilities is shown below:

	2023 Interest £'000	2023 discounted payments £'000	2023 Total repayment £'000	2022 interest £'000	2022 discounted payments £'000	2022 Total repayment £'000
Lease liabilities < 1 year	107	869	976	60	415	475
Lease liabilities 1 - 2 years	123	829	852	73	364	437
Lease liabilities 2 - 5 years	148	777	925	136	544	680
Total	378	2,475	2,853	269	1,323	1,592

Notes to the Financial Statements

for the year ended 30 April 2023

24. SHARE OPTIONS

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. 1 employee with options totalling 769,230 has left the company.

On 1 November 2022 share options were granted to 3 employees. Options were granted over 2,000,000 1p ordinary shares of the company with an exercise price of 16p. The share price at the grant date was 16p.

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 of 30 April 2023 was £94,569 based on an average fair value of 4p per share and 3,369,230 options. The assumptions used in the calculation are as follows:

	1 November 2022
Option pricing model used	Black-Scholes
Expected volatility	35%
Option life	10 years
Risk-free interest rate	3.96%
Expected dividend yield	6.9%

A debit of £36,000 (2022: £21,000 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 (2022: none). The maximum term on the options is 10 years from the issue date.

Notes to the Financial Statements

for the year ended 30 April 2023

25. SHARE CAPITAL AND SHARE PREMIUM

	Group		Parent Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Allotted, called up and fully paid				
90,277,589 (2022: 78,638,879) ordinary shares of 1p each	903	786	903	786
Treasury shares nil (2022: 7,303,655) ordinary shares of 1p each	-	73	-	73
Total 90,277,589 (2022: 85,942,534) ordinary shares of 1p each	903	859	903	859

	2023 Number	2023 £'000	2022 Number	2022 £'000
Ordinary shares held by the company	-	-	7,303,655	1,008

A general meeting was held on November 2022 to vote on the special resolution to cancel the company's share premium account and capital redemption reserve. After approval was received the company applied to the court, the first hearing was in December 2022. The final court hearing in January 2023 approved the capital reduction and the company cancelled the share premium account and capital redemption reserve.

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

	Group		Parent Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Net increase/(decrease) in cash and cash equivalents	(2,815)	3,746	(4,360)	1,981
Increase/(decrease) on invoice discounting facility	(4,310)	(36)	-	-
Decrease/(increase) in bank loans and other loans	(3,627)	-	(2,094)	-
Decrease/(increase) in lease liabilities	(1,152)	171	-	-
Movement in net debt for the period	(11,904)	3,881	(6,454)	1,981
Net debt at beginning of period	4,877	996	4,810	2,829
Net funds/(debt) at end of period	(7,027)	4,877	(1,644)	4,810

Notes to the Financial Statements

for the year ended 30 April 2023

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 charges arising from financing activities.

	Lease Liabilities (Note 23) £'000	Bank Borrowing (Note 22) £'000
2022	1,323	-
Repayment of principal	(867)	(106)
New borrowings	196	3,300
New borrowings acquired through business combinations	1,823	433
Interest paid	(95)	(19)
Cash movements total	1,057	3,608
Interest charge	95	19
Non cash movement total	95	19
2023	2,475	3,627

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 of the Company and the site general managers. 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.

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:

	2023 £'000	2022 £'000
Rentals received from Group undertakings	-	-
Recharge of overheads to Group undertakings	615	398

Notes to the Financial Statements

for the year ended 30 April 2023

28. POST BALANCE SHEET EVENTS

In May 2023 Customised Packaging Limited was merged into Manplas Limited. This should allow synergies between the two companies to be realised.

In June 2023 the Group acquired 100% of the share capital of Ecotatou SL in Spain for a total consideration of €18,000 satisfied in cash. This acquisition gives the Group a foothold in Spain for the sale and distribution of Ecodeck Grids. A purchase price analysis has not yet been conducted.

In June 2023 the Group sold the land and building in Parr, St Helens for £225,000. This unencumbered property was valued at £200,000 on the balance sheet at year end.

In July 2023 the Group paid an earn-out of £1,275,000 to the Vendors of Alma Products Limited. This earn-out completes the full consideration for the acquisition of Alma Products Limited taking the total consideration to £3,002,000.

In July 2023 the Group purchased 400,000 of its own shares into treasury at an average cost of 16.5p. This puts the issued share capital to 89,877,589 shares.

29. ULTIMATE CONTROLLING PARTY

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

Shareholder Information

Five Year Record (unaudited)

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	Restated £'000	£'000
Turnover	35,216	14,391	10,714	8,703	24,733
Profit					
Underlying operating profit	2,713	1,574	867	357	1,018
Net interest payable	(458)	(82)	(111)	(127)	(438)
Underlying profit/(loss) before taxation	2,255	1,492	756	230	580
Separately disclosed items	(1,003)	(162)	(1,072)	(343)	(539)
Goodwill impairment	-	-	-	(350)	-
Taxation	6	(363)	76	82	43
Discontinued operations	-	-	715	(440)	-
Profit/(loss) after taxation	1,258	967	475	(821)	84
Interest cover (times)	5.9	19.2	8.7	0.9	2.3
Underlying earnings per share (pence)	2.60	1.39	0.84	(0.05)	0.75
Dividend per share (pence)	1.1	1.1	1.0	0.0	0.25
Assets employed					
Non-current assets	17,420	5,003	5,314	13,424	16,307
Other net assets/(liabilities)	(3,572)	6,704	7,423	(1,318)	(3,394)
Net assets	13,848	11,707	12,737	12,106	12,913
Financed by					
Share capital	903	859	859	826	826
Reserves	12,945	10,848	11,878	11,280	12,087
Shareholder's funds	13,848	11,707	12,737	12,106	12,913
Gearing (%)	51	n/a	n/a	66	64
Net assets per share (pence)	15	15	15	15	15

Shareholder Information

Continued

Notice of the General Meeting

Notice is hereby given that the 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 September 2023, 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.

Ordinary business

Ordinary resolutions

1. To receive and adopt the audited accounts for the year ended 30 April 2023, 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 Crowe LLP as auditors of the Company to hold office until the conclusion of the next General Meeting of the Company and that the Directors be authorised to fix their remuneration.
5. To declare a final dividend of 0.6p per ordinary share in respect of the year ended 30 April 2023.
6. To approve the Board Report on Directors' Remuneration for the year ended 30 April 2023.
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 general meeting in 2024, 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.

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 general meeting in 2024 (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.

Shareholder Information

continued

Notice of the General Meeting (Continued)

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 general meeting in 2024, 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 September 2023

Registered Office
Southmoor Road
Wythenshawe
Manchester
M23 9DS

Shareholder Information

continued

Notice of the General Meeting (Continued)

Notes

1. A member entitled to attend and vote at the General Meeting convened by the above Notice of General Meeting is entitled to appoint a proxy or proxies to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy enclosed with this Notice of General Meeting.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. If a voting indication is given, your proxy will be legally obliged to vote in accordance with that indication. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
3. To appoint a proxy or proxies you may:
 - 3.1 use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the same, must be received by post or (during normal business hours only) by hand at Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, in each case no later than 12.00 noon on 25 September 2023 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting); or
 - 3.2 submit your proxy electronically by going on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions so as to be received by 12.00 noon on 25 September 2023 (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting, excluding any part of a day which is not a business day); or
 - 3.3 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 9 below.
4. A Form of Proxy which may be used to make such an appointment and give proxy instructions accompanies this Notice of Meeting. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Share Registrars Limited on +44 (0) 1252 821390 (lines are open 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday). Should you wish to appoint more than one proxy, please photocopy the form indicating on each copy the name of the Chairman as proxy you wish to appoint, the number of Ordinary Shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions that are proposed. You should send all pages to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX.
5. If you submit more than one valid proxy appointment in respect of the same share or shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
6. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") you may, under an agreement between you and the member of the Company who has nominated you, have a right to be appointed (or have someone else appointed) as a proxy for the Meeting. If you do not have such a proxy appointment right, or you do but do not wish to exercise it, you may have a right to give instructions to the member who has appointed you as to the exercise of voting rights. Nominated Persons are advised to contact the member who nominated them for further information on this.
7. If you are a Nominated Person, the statements of the rights of members in relation to the appointment of proxies in notes 1 to 6 above do not apply. The rights described in these notes can only be exercised by registered members of the Company.
8. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID 7RA36), by 12.00 noon on 25 September 2023 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Shareholder Information

continued

Notice of the General Meeting (Continued)

10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
14. Any member or his proxy attending the General Meeting has the right to ask any question at the General Meeting relating to the business of the General Meeting. The Company must cause to be answered any such question relating to the business dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
15. Pursuant to section 360B of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 12 noon on 25 September 2023 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 12 noon on the day falling two days prior to the date fixed for the adjourned General Meeting (excluding any part of a day that is not a business day). Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
16. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
17. As at the last business day prior to the publication of this Notice of General Meeting, the Company's issued share capital consists of 89,877,589 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company is 89,877,589.
18. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.coralproducts.com.
19. **You may not use any electronic address provided in this Notice or in any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.**
20. Your personal data includes all data provided by you, or on your behalf, which relates to you as a Shareholder, including your name and contact details, the votes you cast and your Shareholder Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing.

Shareholder Information

continued

Financial Calendar

General Meeting	27 September 2023
Payment of Final Dividend	30 November 2023
Provisional - Interim results	31 December 2023

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, 3 The Millenium Centre, Crosby Way, Farnham, Surrey GU9 7XX.

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.