



CORAL

P R O D U C T S P L C

Annual Report & Accounts 2024

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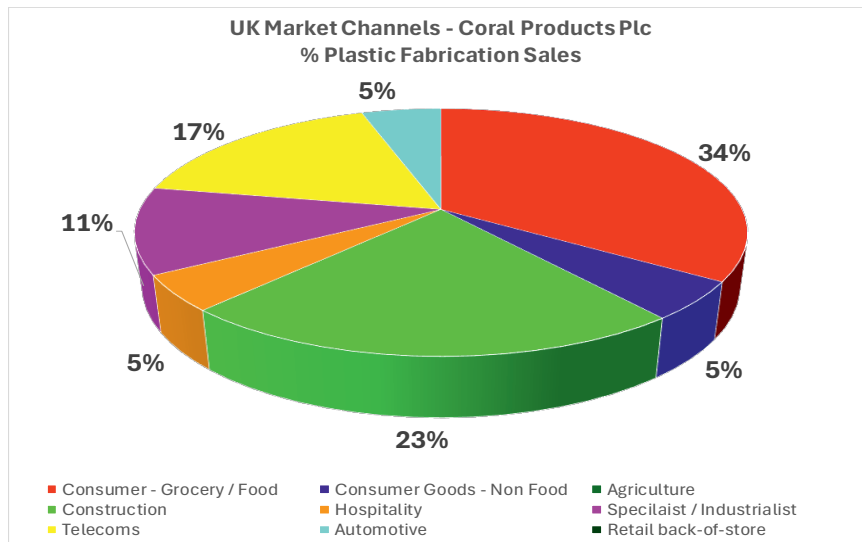
Strategic Report

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

Business Overview

About Us

Coral is a select group of businesses, each a specialist plastic products design house and UK manufacturer, trusted by leading UK brands and companies who are household names to provide customised, cost efficient and sustainable solutions, primarily for the food packaging, personal care, household, transport and communication sectors.



Through its two divisions Coral Products is a one stop shop for all plastic products and service solutions:

Flexibles Division



The flexibles division manufactures and distributes extruded, thermoformed, and film/laminate products primarily into the food sector.

Rigids Division



The rigids division designs, manufactures and distributes plastic injection, vacuum formed and extruded moulded products into a diverse range of sectors including personal care, food, household, healthcare, automotive, telecoms and rail.

The Group has manufacturing and distribution facilities throughout the UK concentrated around the Northwest of England.

Coral Products continues to invest to refocus on new markets, developing innovative plastic moulded products, providing excellent customer service so 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 Flexibles and Rigids divisions, 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.

Strategic Report

Continued

Business Overview (Continued)

Business Model

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

We aim to grow and develop our positions within our chosen product and geographical markets by maintaining strong long-term relationships with our customers and developing high quality, innovative products that meet customer needs. We aim to develop these relationships 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 foundations to our business which support sustainable sales growth:

Health and safety: This is a main priority in the business, and we nurture a working environment where the wellbeing and safety of our employees is paramount. We continue to invest significantly in new state-of-the-art manufacturing processes all designed to operate compliant to UK safety standards and we continue to invest in employee training and awareness towards building a truly sustainable Group-wide safety culture. We continue to invest in our facilities to promote progressive working environments for all.

Quality: We have an excellent reputation for delivering quality products, but we are not complacent. The 2023-24 £3m+ investment in new machinery, robotics and moulds maintains a strong competitive position and drives incremental market share. Our quality control and assurance processes are regularly reviewed and developed to ensure that our customers receive quality products on time and in full. We are currently certified to ISO 9001, ISO 14001 and are BRC accredited within 3 businesses servicing the food industry.

Cost control: We continually monitor input and selling 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 productivity and yield efficiencies that result from new machinery and automation, the reduction in our carbon footprint not least the positive effect on reducing power usage.

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

Our new cultural **4C** framework expresses the Coral approach to all stakeholder engagement:

Can-do

Showing determination to take action and achieve results.

Collaboration

Working together successfully to develop ideas effectively.



Confidence

The value you provide with self-assurance in your abilities.

Conviction

Allows individuals to overcome obstacles when they arise, with strong belief regardless of struggles.

Strategic Report

Continued

Business Overview (Continued)

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.

Sustainability: We pursue profitability as the means of sustaining and growing shareholder value and to build an empowered employee community with strong social and environmental conscience. Our employees have the vision and resources to design, create and manufacture innovative solutions that meet genuine societal needs, consume less resources and, can be manufactured, used and recycled responsibly. Increasingly using 100% recycled plastics in our manufacturing processes is our commitment to the UK circular economy and contributes to our Scope 3 carbon emission reductions.

We also 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 adopt a circular strategy by using recycled and reprocessed materials as a sustainable alternative wherever product specifications permit.

Strategic Plan

Lance Burn, new CEO January 2024, is progressively implementing a new three-year plan aimed at substantially increasing Group revenue and profitability from our specialist plastic products manufacturing and distribution facilities coupled with targeted M&A.

Strategic Report

Continued

Chairman's Statement

Our business

The Company continued its focus on becoming a plastics business of scale and using its established acquisition criteria the Group bought Ecotatou ES in July 2023 to gain a foothold in the Spanish market for EcoDeck Grids. The EcoDeck brand is now trading through BigMat that has more than 350 stores throughout Spain and a further 540 stores in Western Europe.

I was delighted to welcome Lance Burn as our new CEO in January 2024 enabling me to return to my role as Non-Executive Chair. Lance brings a suite of very relevant skills and experiences to our Group coupled with entrepreneurialism and energy.

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 past years.

Dividend

The Board remains committed to a long-term progressive dividend policy, which takes account of the underlying growth, whilst acknowledging the requirement for continuing investment and maintaining sufficient working capital levels. The Board are therefore proposing a final dividend of 0.25 pence per share.

Outlook

We are mindful of the macroeconomic and geopolitical risks yet remain confident about the prospects for our business in the medium to long-term as we continue our transformation journey.

Lance and his colleagues have reacted swiftly to the more challenging macro-economic environment, and it is testimony to their decisive actions that gross margins maintained from 29.7% to 34.4% in such a challenging year.

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.

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.

Joe Grimmond

Chairman

16 September 2024

Strategic Report

Continued

Chief Executive Officer's Statement

Following a challenging trading period during the second half of the financial year, Group trading has been in line with the new market guidance given in January 2024.

Reported revenue was £30,991,000 (2023: £35,216,000), gross margins were 34.4% (2023: 29.7%) resulting in a gross profit of £10,726,000 (2023: £10,476,000). Underlying EBITDA was £3,200,000 (2023: £3,882,000) and underlying operating profits was £1,844,000 (2023: £2,713,000).

Gearing is 76.8% (2023: 50.7%), the post year end sale of the land and buildings at Haydock and Runcorn reduces the gearing by circa 15%. The balance sheet net asset position is strong at £12,272,000 (2023: £13,848,000). This represents a solid asset platform for developing the business.

FY24 H1 performance to October 2023 indicated momentum towards FY24 YE target outcomes. A sharp industry-wide downward correction in sales from December 2023 largely reflecting UK economic recession, needed to be recognised in our late January 2024 trading update subsequently reflected in YE outcomes. YoY sales also reflect exiting c. £2.5m annualised low margin contracts mid-year representing c. £1.4m of the reduction.

	FY24 YE	FY23 YE	% YoY	FY24 H1	FY23 H1	% YoY
Revenue (£m)	31.0	35.2	-12%	17.2	17.6	-2.3%
Underlying EBITDA (£m)	3.2	3.9	-16%	2.3	1.9	+21%

By the financial year end gradual market recovery in some channels was evident but still weaker than expected and not anticipated to fully recover before the calendar year end. With line of sight of key new commercial contracts starting July 24 onwards the business is stable, back into modest growth and cash generative.

The business is stable backed by a solid balance sheet, entering the new financial year there have been some pockets of recovery albeit leading to a lower product margin mix and there continues to be pressure on input and labour costs. Offsetting this, is good visibility on new commercial contracts coming through the business from the investment made in new machinery in 2023 to benefit largely FY25 H2.

Recognising the adverse commercial impact experienced in our industry towards the end of 2023 enabled us to quickly implement corrective commercial measures and organisational reform throughout Q4. We have created a focused and accountable new two-Division structure which will increasingly deliver performance and margin improvement through innovation, simplification and efficiency.

We also continue to strengthen our organisation to support our four strategic pillars of growth:

- o Successfully managing complex commercial, product and service solutions.
- o Excelling at UK manufacturing and technical innovation.
- o Greater margin efficiency through investment in technology and people.
- o Accessing commercial opportunity, scale and synergy through M&A.

Strategic Report

Continued

Chief Executive Officer's Statement (Continued)

The previous year's acquisitions were successfully integrated during what was a challenging trading period. Work is ongoing to further improve the performance of each business and the potential remains to further collaborate across the Group as the new Division structures mature.

Customised Packaging Limited was merged into Manplas Limited at the start of the year, these were two very similar businesses offering customised product protection solutions. The combination of these businesses is creating several synergies, together with an improved customer offer, and work is continuing to realise these synergies into FY25. The merger gives rise to operational, commercial and facilities restructuring. We have taken the prudent approach in opting to impair goodwill and intangibles as customer and order book rationalisation continues in pursuit of efficiencies and margin accretion.

The Group embarked mid-2023 on an ambitious programme of capital investments designed to enable diversification into adjacent channels plus bring in-house outsourced manufacturing associated with recent acquisitions, most notably EcoDeck with the accompanying enhanced capacity and margin accretion. Our commitment to UK manufacturing affords our customers tangible economic, environmental, lead-time and working capital advantages over imported equivalents and also delivering reduced-risk supply chain benefits.

I am very pleased to report that by year-end in excess of £3m of 2023-24 machine and process investments have been successfully installed and commissioned and will all contribute to 2024-25 YoY revenue growth, specifically H2. These investments have also enabled entry into the high growth food packaging container sector, the introduction and supply of bottle closures solutions, complementing established pumps and triggers range of products in our Global One Pack business, plus the introduction of enhanced telecommunications extrusions capabilities. Targeted capability investments continue into 2024-25 specifically in our Flexibles division, further diversifying capabilities at Film & Foil Ltd to the benefit of FY25 H2.

In support of these investments, I am delighted that our Wythenshawe-based Tatra Rotalac business in February 2024 joined both Alma Products Ltd - Runcorn and Film & Foil Ltd - Haydock as BRC accredited.

The Group reorganisation completed early on in calendar 2024 has also accelerated our ability to invest in attracting new talent into the businesses with several new function leaders joining our Group from competitors, bringing with them industry specific skills, experience and relationships. We will continue to focus on organisation strengthening to build resilience and to support our ambitious organic growth aspirations.

Lance Burn

Chief Executive Officer

16 September 2024

Strategic Report

Continued

Review of the Business

	2024	2023
Group revenue	£31.0m	£35.2m
Total revenue by product group/division:		
• Flexibles	£11.9m	£16.9m
• Rigids	£19.0m	£18.3m
Gross profit	£10.7m	£10.5m
Gross margin	34.4%	29.7%
Underlying operating profit (note 6)	£1.8m	£2.7m
Underlying earnings before interest, tax, depreciation and amortisation (note 6)	£3.2m	£3.9m
Finance costs	£(1.0)m	£(0.5)m
Depreciation	£(1.4)m	£(1.2)m
Separately disclosed costs	£(1.8)m	£(1.0)m
Shareholders' equity	£12.3m	£13.8m
Net assets per share	13.8p	15.3p
Gearing	76.8%	50.7%
Cash and cash equivalents	£2.0m	£4.8m
Net debt	£(9.4)m	£(7.0)m
Secured borrowing facilities	£10.4m	£10.4m

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 Money 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:

	2024	2023
Group revenue	£31.0m	£35.2m
Gross margin	34.4%	29.7%
Operating profit/(loss)	£0.1m	£1.7m
Profit/(loss) before tax	£(0.9)m	£1.3m
Underlying earnings before interest, tax, depreciation and amortisation (note 6)	£3.2m	£3.9m
Underlying operating profit (note 6)	£1.8m	£2.7m
Gearing	76.8%	50.7%

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)

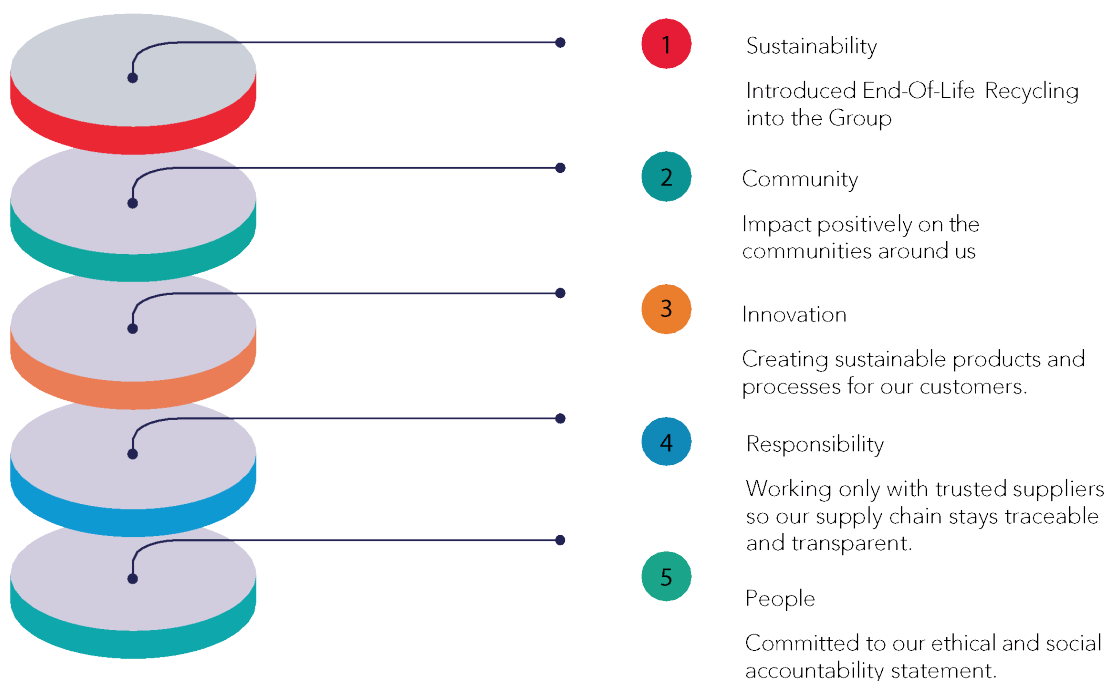
The Group also continues to have in place a team of Board members whose on-going responsibility is to assess the issues which the Group would face should it experience a major and unforeseen disaster and to put in place clear actions to continue to operate successfully in such an event.

Environmental, Social and Governance

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

Environmental, Social and Governance (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.

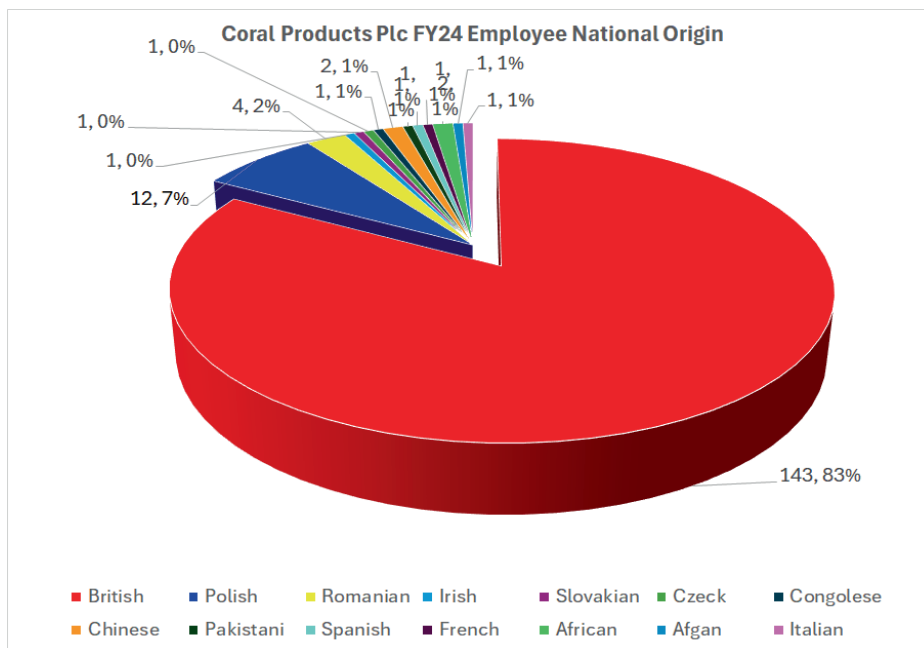
Strategic Report

Continued

Environmental, Social and Governance (Continued)

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 and our working culture 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 18% of the Group workforce as at 30 April 2024:

Position	Male	Female	Total
Group Directors	7	1	8
Senior Managers	14	3	17
Other Employees	125	29	154
Total Employees	146	33	179

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.

Strategic Report

Continued

Environmental, Social and Governance (Continued)

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 is 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

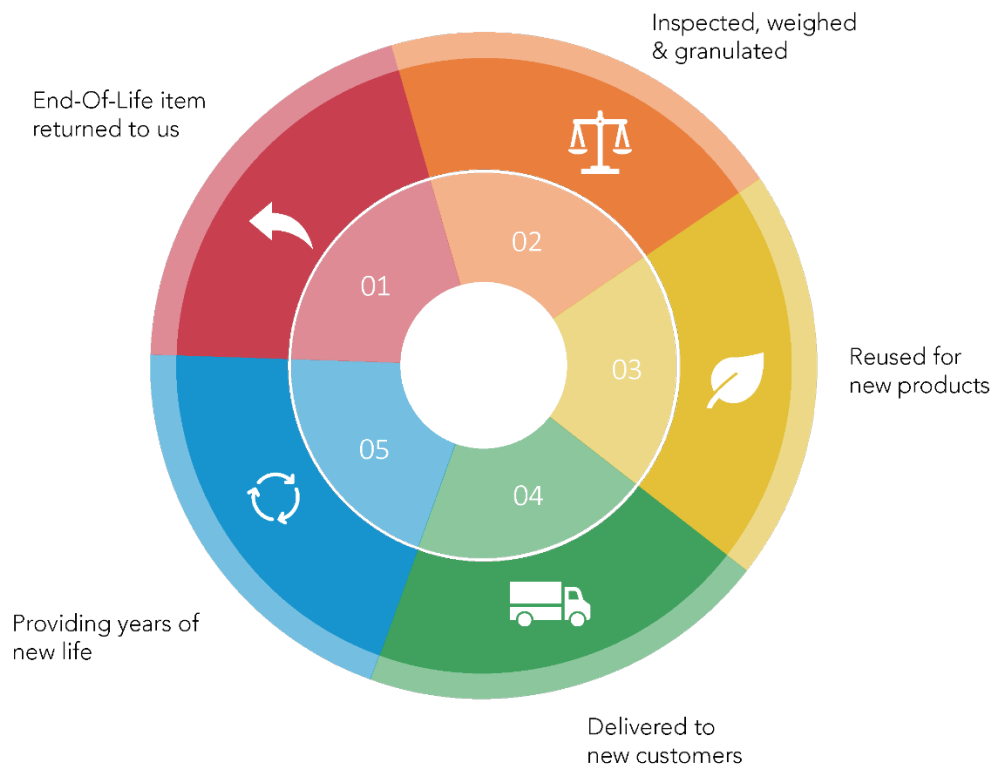
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Environmental, Social and Governance (Continued)

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:

Lance Burn

Chief Executive Officer

16 September 2024

Directors and Advisers

Non-executive Directors

Joe Grimmond, *Non-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.

David Low, *Senior Independent Director*

David was appointed on 4 September 2015. 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 Director*

Steve was appointed on 18 March 2021. 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

Lance Burn, *Chief Executive Officer*

Lance joined Coral Products Plc January 2024 from IG Design Group Plc where he served as Executive Board director from 2012, specifically as CEO IG Design Group International, and most recently based in Atlanta at IG Design Group Americas. Lance previously served time abroad in both West Africa and India for PepsiCo Inc. Returning to the UK in 1997 as Operations Director for Dalgety-Spillers Plc then thereafter in Managing Director roles for Saint-Gobain S.A. UK and RHM Plc as well as re-engineering and selling a family-owned food manufacturing enterprise, to Northern Foods Plc in 2000, subsequently closing the entire business on their behalf on account of consolidation and relocation of activities.

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 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. 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 joined Tatra Plastics Ltd 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, Customised Packaging in 2022 and Manplas in 2023.

Ian Hillman, *Director*

In May 2022, Ian joined Coral through the acquisition of Film & Foil Solutions Ltd and continues to lead the business. In January 2024, Ian also became the Managing Director of Alma Products Ltd. 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.

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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

Cavendish 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.

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 performed both the Chairman and Chief Executive Officer roles until 2 January 2024 when Lance Burn took over as Chief Executive Officer.

Auditor

In accordance with Section 489 of the Companies Act 2006 a resolution will be proposed at the General Meeting that Crowe U.K. 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 U.K. 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 2023:	
Final dividend of 0.6p paid 30 November 2023	535
	<u>535</u>

An interim dividend of 0.25p in respect of the year ended 30 April 2024 was paid on 23 August 2024. A final dividend of 0.25p per share is recommended in respect of the year ended 30 April 2024 to be paid on 17 January 2025 to shareholders on the register at the close of business on 13 December 2024. 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

Lance Burn was appointed Chief Executive Officer on 2 January 2024.

Directors' Remuneration

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

	2024 Executive £'000	2024 Non- executive £'000	2024 Total £'000	2023 Total £'000
Emoluments	622	87	709	638
Pension contributions - defined contribution scheme	33	-	33	26
Share based payment	36	-	36	-
	<u>691</u>	<u>87</u>	<u>778</u>	<u>664</u>

Directors' Report

Continued

Emoluments – Executive Directors

	2024 Basic salary £'000	2024 Bonuses £'000	2024 Benefits-in- kind £'000	2024 Pension £'000	2024 Share based payment £'000	2024 Total £'000	2023 Total £'000
Lance Burn	77	-	2	-	13	92	-
Paul Freud	100	-	-	-	-	100	100
Sharon Tinsley	104	-	3	12	8	127	93
Phil Allen	105	20	3	12	15	155	151
Joe Grimmond (To December 2023)	100	-	-	-	-	100	150
Ian Hillman	107	-	1	9	-	117	109
	593	20	9	33	36	691	603

Emoluments – Non-executive Directors

	2024 £'000	2023 £'000
Joe Grimmond (From January 2024)	16	-
David Low	42	32
Steve Barber	29	29
	87	61

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 2024 Number	Ordinary shares of 1p each 30 April 2023 Number
Joe Grimmond	6,488,337	6,488,337
Lance Burn	215,003	n/a
Paul Freud	2,344,733	2,344,733
David Low	1,350,000	1,350,000
Sharon Tinsley	162,783	162,783
Steve Barber	2,000,000	2,000,000
Ian Hillman	4,838,710	4,838,710
	17,399,566	17,184,563

Directors' Report

Continued

Between the year-end date and the date of this report the following shares were purchased by the Directors:

Date	Director	No of shares
13 May 2024	David Low	25,000
14 May 2024	Joe Grimmond	20,000
23 June 2024	Joe Grimmond	4,000

Substantial Interests

As at 5 August 2024, 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	9,477,162	10.64
NORTRUST NOMINEES LIMITED	8,416,201	9.45
HARGREAVES LANSDOWN (NOMINEES) LIMITED	7,684,536	8.63
RATHBONE NOMINEES LIMITED	6,231,925	7.00
RENE NOMINEES (IOM) LIMITED	4,716,720	5.30
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	3,535,958	3.97
LAWSHARE NOMINEES LIMITED	3,527,168	3.96
KELLY LOUISE STAPLES	3,125,000	3.51
MATTHEW PAUL STAPLES	3,125,000	3.51
VIDACOS NOMINEES LIMITED	2,729,598	3.07

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. During the financial year the company purchased 1,108,632 of its shares, making a total of 1,108,632 (2023: nil) shares at the year-end accounting for 1.2% of the total shares.

By order of the Board

S Tinsley

Company Secretary
16 September 2024

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. See the directors report for the directors remuneration.

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, this is based upon profit targets set by the Remunerations Committee. Additionally, the remuneration committee is empowered to make awards for special circumstances if appropriate.

Share Options

No share options were exercised during the year (2023: 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
Lance Burn	January 2024	12 months
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 £45,000. 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 David Low and Ian Hillman absent for 2 meeting each and Joe Grimmond, Phil Allen and Steve Barber all absent for 1 meeting each. The remaining Directors had 100% attendance.

By order of the Board

Joe Grimmond

Chairman of the Remuneration Committee

16 September 2024

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 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

16 September 2024

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 2024 which comprise:

- the Group Income Statement for the year ended 30 April 2024;
- the Group Statement of Comprehensive Income for the year ended 30 April 2024;
- the Group and Parent Company Balance Sheets as at 30 April 2024;
- the Group and Parent Company Statements of Changes in Shareholders' Equity for the year ended 30 April 2024;
- the Group Cashflow Statement for the year then ended; and
- the notes to the financial statements, including a summary of material 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 2024 and of the Group's loss 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 s 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 arithmetically accurate;
- identifying revenue growth and gross margin as the key assumptions inherent in the plan and considered whether future revenue growth and margins were reasonable based on historical amounts achieved and considered factors which may impact these looking forward;
- 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;
- Comparing assumptions used in the going concern assessment with those used in the value in use assessment for intangible assets to confirm consistency; 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.

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.

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

Continued

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	£255,000 (2023: £110,000)
Group performance materiality	£178,500 (2023: £77,000)
Parent Company materiality	£130,000 (2023: £77,000)
Parent Company performance materiality	(91,000 (2023: £54,000)
Basis for Group materiality	0.8% of revenue (2023: 0.3% of revenue)
Basis for Parent Company materiality	1.5% of net assets (2023: 0.8% of net assets)
Rationale for the benchmark adopted	<p>We determined materiality for the Group on the basis of total Revenue. We believe that the recent fluctuations in (loss)/profit before tax would mean that using a profit measure as a base would result in an amount that does not appropriately reflect what users of the financial statements would consider important. As a result, we concluded that Revenue provides us with an appropriate and consistent basis and is the most stable and relevant measure for the users of the financial statements to assess the Group’s performance.</p> <p>The percentage chosen is judgemental and set within our standard benchmarks for a listed entity.</p> <p>The parent company is a holding company and therefore net assets is deemed to be an appropriate benchmark.</p>

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 £12,750. 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 five 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. We also performed audit work on the consolidation adjustments.

Our scoping is based on the Group’s consolidation structure. 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 relevant components of the business. 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.

Key audit matter	How the scope of our audit addressed the key audit matter
<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 documented and walked through the design and implementation of controls. We challenged management on the methodology used to identify CGUs and 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. We observed that there was not sufficient headroom when comparing the value in use to the net carrying value for the Manplas cash generating unit due to losses being incurred. We discussed the results of our audit work with both management and Directors and as a result, the accounts were adjusted by recognizing an impairment of £874k.</p> <p>There was sufficient headroom for all other cash generating units and accordingly no impairment was required.</p>
<p><i>Investments impairment review (Company)</i></p> <p><i>The Company statement of financial position for 30 April 2024 includes investments in subsidiaries of £15,019k (see note 13 of the financial statements).</i></p> <p><i>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 impair to its recoverable amount.</i></p>	<p>We addressed this risk by obtaining, reviewing and challenging the underlying assumptions behind management's detailed impairment assessment of investments in subsidiaries.</p> <p>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. The impairment assessment was underpinned by the work on goodwill and other intangibles above, and the audit response was based upon the procedures noted above, taking into considerations other assets/liabilities held within the investment.</p> <p>As explained in note 13, investments have been impaired by £1.2m following a deterioration in market conditions.</p>

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.

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

Continued

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.

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 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
16 September 2024

Group Income Statement

for the year ended 30 April 2024

	Note	2024 £'000	2023 £'000
Revenue	5	30,991	35,216
Cost of sales		(20,315)	(24,740)
Gross profit		10,676	10,476
Operating costs			
Distribution expenses		(1,383)	(1,301)
Administrative expenses before other separately disclosed items		(7,449)	(6,462)
Other separately disclosed items	6	(1,770)	(1,003)
Administrative expenses		(9,219)	(7,465)
Operating profit	7	74	1,710
Finance costs	8	(1,021)	(458)
Profit for the financial year before taxation		(947)	1,252
Taxation	10	33	6
(Loss)/Profit for the financial year attributable to the equity holders of the parent		(914)	1,258
Basic (loss)/earnings per ordinary share	11	(1.02)p	1.44p
Diluted (loss)/earnings per ordinary share	11	(1.02)p	1.44p

Group Statement of Comprehensive Income

for the year ended 30 April 2024

	2024 £'000	2023 £'000
(Loss)/Profit for the financial year	(914)	1,258
Total other comprehensive profit/(loss)	-	-
Total comprehensive (loss)/income for the year attributable to equity holders of the parent	(914)	1,258

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

Balance Sheets

as at 30 April 2024

Company reference: 02429784

	Note	Group		Parent Company	
		As at 30 April	As at 30 April	As at 30 April	As at 30 April
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
ASSETS					
Non-current assets					
Goodwill	14	3,973	4,385	-	-
Other intangible assets	15	1,958	2,956	-	-
Property, plant and equipment	16	7,053	7,209	1,318	3,040
Right of use assets	17	2,077	2,870	-	-
Investments in subsidiaries	13	-	-	13,788	14,984
Deferred tax		-	-	48	-
Total non-current assets		15,061	17,420	15,154	18,024
Current assets					
Inventories	18	4,743	4,320	-	-
Trade and other receivables	19	6,644	7,193	114	359
Cash and cash equivalents		2,014	4,774	32	450
Assets held for sale	21	1,706	200	1,706	200
Total current assets		15,107	16,487	1,852	1,009
LIABILITIES					
Current liabilities					
Other borrowings	22	6,534	6,063	1,289	84
Lease liabilities	22	721	970	-	-
Trade and other payables	20	5,466	7,218	7,261	7,167
Total current liabilities		12,721	14,251	8,550	7,251
Net current assets/(liabilities)		2,386	2,236	(6,698)	(6,242)
Non-current liabilities					
Term loan	22	3,298	3,263	1,256	2,010
Lease liabilities	22	891	1,505	-	-
Deferred tax	10	986	1,040	-	(18)
Total non-current liabilities		5,175	5,808	1,256	1,992
NET ASSETS		12,272	13,848	7,200	9,790
SHAREHOLDERS' EQUITY					
Share capital	25	903	903	903	903
Treasury shares		(170)	-	(170)	-
Retained earnings		11,539	12,945	6,467	8,887
TOTAL SHAREHOLDERS' EQUITY		12,272	13,848	7,200	9,790

The financial statements were approved and authorised for issue by the Board of Directors on 16 September 2024 and were signed on its behalf by:

Lance Burn
Chief Executive Officer

Sharon Tinsley
Finance 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 £1,928,000 (2023: £2,532,000 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 2024

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 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 1 May 2023		903	-	-	-	12,945	13,848
Loss for the year		-	-	-	-	(914)	(914)
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	43	43
Purchase of treasury shares		-	-	(170)	-	-	(170)
Dividend paid	12	-	-	-	-	(535)	(535)
At 30 April 2024		903	-	(170)	-	11,539	12,272

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 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 1 May 2023		903	-	-	-	8,887	9,790
Loss for the year		-	-	-	-	(1,928)	(1,928)
Contributions by and distributions to owners							
Equity settled share-based payments	24	-	-	-	-	43	43
Purchase of treasury shares		-	-	(170)	-	-	(170)
Dividend paid	12	-	-	-	-	(535)	(535)
At 30 April 2024		903	-	(170)	-	6,467	7,200

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

Group Cash Flow Statement

for the year ended 30 April 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the year		(914)	1,258
Adjustments for:			
Depreciation of property, plant and equipment	16	638	464
Depreciation of right of use assets	17	718	705
Amortisation of intangible assets	15	535	513
Share based payment charge	24	43	36
Impairment of buildings		34	-
Impairment of goodwill and intangibles	13	890	-
Interest payable	8	1,021	458
Taxation charge/(credit)	10	(33)	(6)
Operating cash flows before movements in working capital		2,932	3,428
Decrease/(increase) in inventories		(423)	1,219
Decrease/(increase) in trade and other receivables		549	999
Increase/(decrease) in trade and other payables		(1,575)	(6,769)
Net cash generated from/ (used in) operating activities		1,483	(1,123)
Cash flows from investing activities			
Acquisition of subsidiary		(15)	(4,313)
Acquisition of property, plant and equipment	16	(2,145)	(2,080)
Net cash generated from/ (used in) investing activities		(2,160)	(6,393)
Cash flows from financing activities			
New bank borrowings raised	26	2,299	3,496
Dividends paid	12	(535)	(966)
Interest paid on bank borrowings	26	(333)	(19)
Interest paid on invoice discounting		(568)	(344)
Interest paid on lease liabilities	26	(120)	(95)
Repayments of bank borrowings	26	(530)	(814)
Repayments of obligations under lease liabilities	26	(903)	(867)
Purchase of treasury shares		(170)	-
Movement in invoice discounting facility		(1,223)	4,310
Net cash generated from/ (used in) financing activities		(2,083)	4,701
Net decrease in cash and cash equivalents		(2,760)	(2,815)
Cash and cash equivalents at 1 May		4,774	7,589
Cash and cash equivalents at 30 April		2,014	4,774

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 2024

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 market. The consolidated financial statements of the Group as at and for the year ended 30 April 2024 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. MATERIAL ACCOUNTING POLICIES

A summary of the Group's material 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 land and buildings that are held 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 permitted 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;
- a cashflow statement and related notes;
- 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 adopted all new or revised standards in the annual financial statements that are effective for the year ended 30 April 2024. The new standards adopted have not had a material impact on the group.

Notes to the Financial Statements

for the year ended 30 April 2024

New Standards, Amendments and Interpretations Not Yet Effective

At the date of authorisation of these financial statements, new and revised standards issued but not yet effective are set out below. It is anticipated the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group. These have not been adopted in the Group's accounting policies:

- Amendments to IAS 1: Non-Current Liabilities with Covenants;
- Amendments to IAS 7: Statement of Cash Flows;
- IFRS 7 Financial Instruments: Disclosure of Supplier Finance Arrangements;
- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates;
- Amendments to IFRS 16: Lease liability in a sale and leaseback; and
- Introduction of IFRS 18: Presentation and disclosure in financial statements.

The Group's financial statements will be presented in accordance with these standards from the relevant accounting period.

Basis of Consolidation

The Group's financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 30 April 2024. 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 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 company. 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 2025.

Notes to the Financial Statements

for the year ended 30 April 2024

Going Concern (continued)

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.

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.

Notes to the Financial Statements

for the year ended 30 April 2024

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 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.

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.

Notes to the Financial Statements

for the year ended 30 April 2024

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.

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	-	4 to 15 years
Fixtures and fittings	-	3 to 10 years
Motor vehicles	-	3 years

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

Notes to the Financial Statements

for the year ended 30 April 2024

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	-	3 to 15 years
Brands	-	3 to 10 years
Licences	-	3 to 10 years

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.

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.

Notes to the Financial Statements

for the year ended 30 April 2024

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.

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.

Notes to the Financial Statements

for the year ended 30 April 2024

Financial Assets and Liabilities (continued)

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.

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 2024

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 2024.

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 2024

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.

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.

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).

Insurance Claims Accrued Income

The Directors have judged it appropriate to accrue for insurance claim proceeds resulting from a fire at one of the subsidiaries in 2020. The total amount accounted for by the group is £1,250,000, with £600,000 having been received from the insurers to date. The directors consider it to be virtually certain that the outstanding amount of £650,000 will be received, which has been confirmed by loss adjusters as the minimum amount receivable. The total claim amount made is for £2,350,000, but as the amounts above those already recognised are uncertain, they have not been recognised in the financial statements for the year ending 30 April 2024.

Notes to the Financial Statements

for the year ended 30 April 2024

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

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 to mitigate its interest rate exposure. The Group currently only has borrowings in sterling with one loan on a variable rate basis and the remainder on 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 using a combination of spot and forward contracts.

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.

Notes to the Financial Statements

for the year ended 30 April 2024

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

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.

5. REVENUE

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

	2024	2023
	£'000	£'000
UK	30,479	34,633
Rest of Europe	173	91
Rest of the World	339	492
	30,991	35,216

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

	2024	2023
	£'000	£'000
Flexibles	11,943	16,882
Rigids	19,048	18,334
	30,991	35,216

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 2024 or 30 April 2023.

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

Notes to the Financial Statements

for the year ended 30 April 2024

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.

	2024	2023
	£'000	£'000
Operating profit	74	1,710
Separately disclosed items within administrative expenses		
Share based payment charge (note 24)	43	36
Amortisation of intangible assets (customer relationships and brands) (note 15)	535	513
Reorganisation costs	233	123
Acquisition costs	50	331
Impairment of goodwill & intangibles	875	-
Impairment of building	34	-
Total separately disclosed items	1,770	1,003
Underlying operating profit	1,844	2,713
Depreciation	1,356	1,169
Underlying EBITDA	3,200	3,882
Separately disclosed items (excluding amortisation)	(1,235)	(490)
EBITDA	1,965	3,392
(Loss)/profit before tax	(947)	1,252
Separately disclosed items	1,770	1,003
Underlying profit before tax	823	2,255

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 executive recruitment costs of £134,000, redundancy costs of £87,000, acquisition costs of £50,000, other professional fees of £12,000, impairment of goodwill and intangibles of £875,000 and the impairment of the building at Haydock of £34,000.

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

Notes to the Financial Statements

for the year ended 30 April 2024

7. OPERATING PROFIT

	2024	2023
	£'000	£'000
This is stated after charging/(crediting) the following		
Staff costs (note 9)	7,366	6,462
Cost of inventories recognised as expense	15,756	19,156
Net foreign exchange gains	9	9
Depreciation of property, plant and equipment (note 16)	638	464
Depreciation of right of use assets (note 17)	718	705
Amortisation of intangible assets (note 15)	535	513
Auditors' remuneration for statutory audit services to this Company	19	18
Auditors' remuneration for statutory audit services to subsidiaries	110	99

Non-audit fees of £nil (2023: £nil) were payable to the auditor.

8. FINANCE COSTS

	2024	2023
	£'000	£'000
Interest payable on lease liabilities	120	95
Interest payable on invoice discounting facilities	568	344
Interest payable on term loans	333	19
	1,021	458

Notes to the Financial Statements

for the year ended 30 April 2024

9. STAFF COSTS

	2024	2023
	No.	No.
Average number of employees (including executive directors) comprised		
Production	127	122
Selling and distribution	13	25
Administration	44	39
Average number of employees	184	186

	2024	2023
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	6,636	5,926
Social security costs	554	366
Other pension costs	133	134
Total remuneration before share option charge	7,323	6,426
Share option charge	43	36
Total remuneration	7,366	6,462

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.

	2024	2023
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	311	444
Social security costs	39	66
Other pension costs	25	35
Share option charge	15	11
	390	556

Notes to the Financial Statements

for the year ended 30 April 2024

10. TAXATION

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

Group	2024	2023
	£'000	£'000
Current tax		
Current tax on profit for the year	18	(10)
Deferred tax		
Reversal of temporary differences	(51)	4
Total taxation debit/(credit) for the financial year	(33)	(6)

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are reconciled as follows:

Reconciliation of taxation credit

	2024	2023
	£'000	£'000
Profit/(loss) on ordinary activities before tax	(947)	1,252
Tax on profit on ordinary activities at 25% standard rate of tax (2023: 19%)	(237)	238
Non-deductible expenses	280	87
Deferred tax not recognised	(154)	(171)
Chargeable gain/(losses)	3	-
Income not taxable	5	(19)
Fixed assets timing differences	44	(123)
Tax rate changes	(4)	53
Effects of group/other reliefs	30	(65)
Other differences	-	(6)
Total taxation charge/(credit)	(33)	(6)

Deferred tax liability – Group

	2024	2023
	£'000	£'000
Opening balance	1,040	391
Acquired as part of business combination	-	627
Adjustment in respect of prior years	-	8
Credited to the income statement	(54)	14
Closing balance	986	1,040
Comprising:		
Accelerated capital allowances	986	973
Other temporary differences	-	(64)
Liability arising on business combination	-	131
	986	1,040

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 2024 has been calculated based on the rate as at the report date of 25% (2023: 25%).

Notes to the Financial Statements

for the year ended 30 April 2024

11. EARNINGS PER ORDINARY SHARE

Number of Shares	2024	2023
Weighted average number of shares	90,277,589	88,222,891
Effect of weighted average number of treasury shares	(723,409)	(1,099,823)
Weighted average number of shares for the purposes of basic earnings per share	89,554,180	87,123,068
Effect of share options	139,579	102,564
Weighted average number of shares for the purposes of diluted earnings per share	89,693,760	87,225,632
	2024	2023
Basic earnings per share	(1.02)p	1.44p
Diluted earnings per share	(1.02)p	1.44p
Underlying earnings per share	0.96p	2.60p

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

	2024			2023		
	Earnings	Weighted	Earnings	(Loss)/	Weighted	(Loss)/
	£'000	average	per	earnings	average	earnings
		number of	share	£'000	number of	per share
		shares	(pence)		shares	(pence)
Profit/(loss) for the year	(914)	89,554,180	(1.02)	1,258	87,123,068	1.44
Separately disclosed items (note 6)	1,770	-	-	1,003	-	-
Underlying profit/(loss) for the period	856	89,554,180	0.96	2,261	87,123,068	2.60

Underlying earnings per share

Underlying earnings per share ignoring the impact of tax 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
PAID PRIOR YEAR	966
PAID DURING YEAR	
Final dividend for 2023: 0.6p paid 30 November 2023	535
	535
PAID FOLLOWING YEAR END	
Interim dividend for 2024: 0.25p paid 23 August 2024	223
	223
TO BE RECOMMENDED AT THE FORTHCOMING GM	
Final dividend for 2024: 0.25p to be paid 17 January 2025	223

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.

Notes to the Financial Statements

for the year ended 30 April 2024

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS

Parent Company	2024 £'000	2023 £'000
Cost and net book value		
At 1 May	14,984	6,975
Share options granted to employees in subsidiaries (note 24)	43	36
Acquisition of subsidiary	-	8,783
Earn out agreement provision	-	1,275
Impairment of investment in Global One Pak	-	(2,085)
Return of escrow funds from the acquisition of Manplas	(8)	-
Waiver of intercompany loan with Manplas	485	-
Acquisition of Ecodeck Spain	15	-
Impairment of investment in Manplas and Ecodeck Spain	(1,731)	-
At 30 April	13,788	14,984

The intercompany loan was with investment in Manplas Ltd that is now considered unrecoverable has been impaired by £485,000 during the year as a result of an impairment review. Following the merger of Customised Packaging Limited into Manplas Limited there has also been an impairment of the cost of investment amounting to £1.23m due to recent trading results. The key assumptions used a part of this review were the same as those disclosed in Note 14. 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, and with the exception of Ecodeck SL incorporated in Spain, are incorporated in England and Wales and operate in the United Kingdom.

Company	Business activity	Holding	Registered office
RIGIDS Division			
Tatra Rotalac Limited	Manufacture of plastic mouldings and extrusions	100%	Southmoor Road, Wythenshawe, Manchester, M23 9DS
Manplas Limited	Manufacture of plastic mouldings and extrusions	100%	Coldfield Drive, Wythenshawe, Manchester, M23 9GG
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
Ecodeck Grids Limited	Distribution of eco-friendly landscape and construction products	100%	Southmoor Road, Wythenshawe, Manchester, M23 9DS
Ecodeck SL	Distribution of eco-friendly landscape and construction products	100%	Carretera Tortosa-l'Aldea km 2 43500 Tortosa (Tarragona)
FLEXIBLES Division			
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
Dormant Companies			
Customised Packaging Limited	Manufacture of plastic mouldings and extrusions	100%	Unit 2-4 Denton Business Park, Windmill Lane, Manchester, M34 3SP
Rotalac Plastics Limited	Manufacture of plastic mouldings and extrusions	100%	Southmoor Road, Wythenshawe, Manchester, M23 9DS

Notes to the Financial Statements

for the year ended 30 April 2024

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS (continued)

Under section 479A 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

Business Combinations during the period – Acquisitions

During the year the Group acquired 100% of the voting equity instruments of Ecotatou ES (July 2023) for £15,000. The principal reason for this acquisition was to expand the market coverage of Ecodeck Ltd. Ecotatou's name was changed to Ecodeck SL during the year.

The cost of investment and goodwill were impaired at year end out of prudence in light of the speculative nature of anticipated sales in a new market.

Acquisition costs of £50,000 have been recognised in the statement of comprehensive income.

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 2024

14. GOODWILL

Group	£'000
At 30 April 2022	1,945
Additions	2,440
At 30 April 2023	4,385
Additions	15
Impairment	(427)
At 30 April 2024	3,973

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	2024 £'000	2023 £'000
Customised Packaging Limited	-	350
Tatra Rotalac Limited	961	961
Global One-Pak Limited	634	634
Film & Foil Solutions Limited	19	19
Alma Products Limited	135	135
Ecodeck Grids Limited	2,224	2,224
Manplas Limited	-	62
	3,973	4,385

The merger of the CGUs of Customised Packaging Limited into Manplas Limited during the year gave rise to operational, commercial and facilities restructuring. As a result of the annual impairment review, we concluded that goodwill was impaired due to recent trading results. The net book value of goodwill impaired totals £412,000.

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 17.8% to 21.8% have been used to discount the forecast cash flow. The key assumptions are based on experience for expected changes in future conditions.

Notes to the Financial Statements

for the year ended 30 April 2024

15. OTHER INTANGIBLE ASSETS

	Customer relationships £'000	Brands £'000	Total £'000
Group			
Cost			
At 1 May 2022	2,645	322	2,967
Acquired through business combinations	2,265	289	2,554
At 1 May 2023 and 30 April 2024	4,910	611	5,521
Impairment	(663)	-	(663)
At 30 April 2024	4,427	611	4,858
Amortisation			
At 1 May 2022	1,853	198	2,051
Charge in the year	443	70	513
At 1 May 2023	2,297	268	2,565
Charge in the year	458	77	535
Impairment	(200)	-	(200)
At 30 April 2024	2,555	345	2,900
Net book value			
At 30 April 2024	1,692	266	1,958
At 30 April 2023	2,613	343	2,956

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.

The merger of the CGUs of Customised Packaging Limited into Manplas Limited during the year gave rise to operational, commercial and facilities restructuring. As a result of the annual impairment review, we concluded that goodwill and intangibles were impaired due to recent trading results. The net book value of intangibles impaired totals £463,000.

See note 14 for details of the key assumptions used to assess the impairment.

Notes to the Financial Statements

for the year ended 30 April 2024

16. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Motor Vehicles £'000	Total £'000
Cost or Valuation					
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 1 May 2023	3,040	1,344	15,745	158	20,287
Additions	-	100	2,034	11	2,145
Transferred from Right of Use assets	-	-	136	-	136
Transferred to assets held for sale (note 21)	(1,740)	-	-	-	(1,740)
Disposals	-	-	-	(37)	(37)
At 30 April 2024	1,300	1,444	17,915	132	20,791
Depreciation					
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 1 May 2023	-	1,069	11,867	142	13,078
Transferred from Right of Use assets	-	-	57	-	57
Charge in the year	-	139	492	7	638
Disposals	-	-	-	(35)	(35)
At 30 April 2024	-	1,208	12,416	114	13,738
Net book value					
At 30 April 2024	1,300	236	5,499	18	7,053
At 30 April 2023	3,040	275	3,878	16	7,209

Notes to the Financial Statements

for the year ended 30 April 2024

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Parent Company	Land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost or Valuation			
At 1 May 2022	-	-	-
Transfer from subsidiary	3,240	-	3,240
Transferred to assets held for sale (note 21)	(200)	-	(200)
At 1 May 2023	3,040	-	3,040
Additions	-	20	20
Transferred to assets held for sale (note 21)	(1,740)	-	(1,740)
At 30 April 2024	1,300	20	1,320
Depreciation			
At 1 May 2022 and 1 May 2023	-	-	-
Charge in the year	-	2	2
At 30 April 2024	-	2	2
Net book value			
At 30 April 2024	1,300	18	1,318
At 30 April 2023	3,040	-	3,040

17. RIGHT OF USE ASSETS

	Property £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 May 2023	3,187	1,101	289	4,577
Additions	-	-	10	10
Acquired through business combinations	-	-	-	-
Transferred to ownership	-	(136)	-	(136)
Disposals	-	-	(12)	(12)
At 30 April 2024	3,187	965	287	4,439
Depreciation				
At 1 May 2023	1,376	146	185	1,707
Transferred to ownership	-	(57)	-	(57)
Charge for the year	595	55	68	718
Disposals	-	-	(6)	(6)
At 30 April 2024	1,971	144	247	2,362
Carrying amount				
At 30 April 2024	1,216	821	40	2,077
At 30 April 2023	1,811	955	104	2,870

Notes to the Financial Statements

for the year ended 30 April 2024

18. INVENTORIES

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Raw materials	2,133	1,284	-	-
Work in progress	344	440	-	-
Finished goods and goods for resale	2,266	2,596	-	-
	4,743	4,320	-	-

During the year a provision of £120,000 (2023: £200,000) has been made against inventory for slow-moving stocks. Write-downs of inventories to net realisable value amounted to £nil (2022: £nil).

19. TRADE AND OTHER RECEIVABLES

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current				
Trade receivables	5,112	6,359	-	-
Less: provision for impairment of trade receivables	(60)	(77)	-	-
	5,052	6,282	-	-
Amounts owed by subsidiary undertakings	-	-	22	252
Other debtors	34	62	21	40
Prepayments and accrued income	1,558	850	71	67
	6,644	7,194	114	359

The fair value of trade and other receivables approximates to book value on 30 April 2024 and 2023.

The Group is exposed to credit risk with respect to trade receivables due from its customers. The Group currently has over 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 2024, or the year ended 30 April 2023.

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

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Sterling	4,758	5,971	-	-
Euros	283	304	-	-
US Dollars	11	7	-	-
	5,052	6,282	-	-

Notes to the Financial Statements

for the year ended 30 April 2024

19. TRADE AND OTHER RECEIVABLES (continued)

As 30 April 2024 the lifetime expected loss provision for trade receivables is as follows:

Group	Current	Overdue less than 1 month	Overdue 1 -2 months	Overdue more than 2 months	Total
	£'000	£'000	£'000	£'000	£'000
Expected loss ratio	0.2%	1.5%	2.5%	3.5%	
Gross carrying amount	2,541	1,463	601	507	5,112
Loss provision	(5)	(22)	(15)	(18)	(60)

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:

	2024	2023
	£'000	£'000
Opening provision for impairment	77	42
Utilised in the period	(14)	(42)
Unused provision released	(63)	-
Provided in the period	60	77
Closing provision	60	77

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 forward foreign exchange contracts at the year-end.

Notes to the Financial Statements

for the year ended 30 April 2024

20. TRADE AND OTHER PAYABLES

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade payables	4,107	3,735	39	52
Other taxes and social security	208	289	-	118
Accruals	752	2,087	221	1,508
Amounts owed to Group undertakings	-	-	7,001	5,489
Other payables	399	1,107	-	-
	5,466	7,218	7,261	7,167

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	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Assets				
Land and buildings at Parr, St Helens	-	200	-	200
Land and buildings at Haydock, St Helens	740	-	740	-
Impairment of buildings at Haydock, St Helens	(34)	-	(34)	-
Land and buildings at Runcorn, Cheshire	1,000	-	1,000	-
Total assets held for sale	1,706	200	1,706	200

The land and buildings in Runcorn were sold July 2024 for £1,210,000. The land and buildings in Haydock exchanged September 2024, with completion expected shortly for £706,000, the NBV of building was impaired at year end from £740,000 to £706,000.

Notes to the Financial Statements

for the year ended 30 April 2024

22. FINANCIAL LIABILITIES

The maturity profile of the non-current financial liabilities as at 30 April 2024 is set out below:

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Borrowings				
Current				
Invoice discounting and trade facilities	4,476	5,699	-	-
Term loan	1,289	364	1,289	84
Other loans	769	-	-	-
Lease liabilities	721	970	-	-
	7,255	7,033	1,289	84
Non-current				
Lease liabilities	891	1,505	-	-
Term loan	1,256	3,263	1,256	2,010
Other loans	2,042	-	-	-
	4,189	4,768	1,256	2,010

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

	2024		2023	
Invoice discounting facility	2.35%	over base	2.35%	over base
Trade facility	3.0%	over base	3.0%	over base
Lease liabilities and other loans	5.6%		5.6%	
Term loan	6.82%		6.82%	

The term loans and lease liabilities are secured on the assets to which the contracts relate. The invoice discounting and trade facilities are 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 2024 and 30 April 2023.

The maturity profile of the non-current financial liabilities as at 30 April 2024 is set out below:

Group	2024	2024	2024	2023	2023	2023
	Interest	discounted	Total	interest	discounted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Term loans < 1 year	171	228	399	254	424	678
Term loans 1 - 2 years	155	244	399	216	460	676
Term loans 2 - 5 years	240	2,073	2,313	428	2,743	3,171
Total	566	2,545	3,111	898	3,627	4,525
Other loans < 1 year	188	606	794	-	-	-
Other loans 1 - 2 years	140	654	794	-	-	-
Other loans 2 - 5 years	142	1,551	1,693	-	-	-
Total	470	2,811	3,281	-	-	-

Notes to the Financial Statements

for the year ended 30 April 2024

22. FINANCIAL LIABILITIES (continued)

	2024 Interest	2024 discounted payments	2024 Total repayment	2023 interest	2023 discounted payments	2023 Total repayment
Parent	£'000	£'000	£'000	£'000	£'000	£'000
Term loans < 1 year	171	228	399	141	84	225
Term loans 1 - 2 years	155	244	399	134	90	224
Term loans 2 - 5 years	240	2,073	2,313	354	1,920	2,274
Total	566	2,545	3,111	629	2,094	2,723

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 £2.2m, subject to stock levels and restrictions.

23. LEASE LIABILITIES

	Property £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
At 1 May 2023	1,783	589	103	2,475
Additions – new leases	11	29	-	40
Discounted payments	(607)	(227)	(69)	(903)
At 30 April 2024	1,187	391	34	1,612
Current liabilities	526	169	26	721
Non-current liabilities	661	222	8	891
At 30 April 2024	1,187	391	34	1,612

The maturity analysis for lease liabilities is shown below:

	2024 Interest	2024 discounted payments	2024 Total repayment	2023 interest	2023 discounted payments	2023 Total repayment
	£'000	£'000	£'000	£'000	£'000	£'000
Lease liabilities < 1 year	124	684	808	107	869	976
Lease liabilities 1 - 2 years	115	490	605	123	829	952
Lease liabilities 2 - 5 years	119	438	557	148	777	925
Total	358	1,612	1,970	378	2,475	2,853

Notes to the Financial Statements

for the year ended 30 April 2024

24. SHARE OPTIONS

Share options have been granted to employees as per below:

	30 May 2017	22 August 2017	23 March 2021	01 November 2022	30 January 2024
Granted to no. of employees	4	-	3	1	-
Granted to no. of directors	-	2	-	2	1
No. of options of 1p ordinary shares granted	550,000	2,500,000	1,538,460	2,000,000	5,000,000
Exercise price	21p	15p	13p	16p	13.2p
Share price at the grant date	15p	14.5p	11.8p	16p	13.2p
No. of employees/directors remaining	1	1	2	3	1
Remaining options	100,000	500,000	769,230	2,000,000	5,000,000

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 fair value of the options granted in January 2024 was £75,000. The assumptions used in the calculation are as follows:

	30 January 2024
Option pricing model used	Black-Scholes
Expected volatility	35%
Option life	10 years
Risk-free interest rate	4.0%
Expected dividend yield	8.3%

A debit of £43,000 (2023: £36,000 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 (2023: 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 2024

25. SHARE CAPITAL AND SHARE PREMIUM

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Allotted, called up and fully paid				
89,168,957 (2023: 90,277,589) ordinary shares of 1p each	892	903	892	903
Treasury shares 1,108,632 (2023: nil) ordinary shares of 1p each	111	-	111	-
Total 90,277,589 (2023: 90,277,589) ordinary shares of 1p each	903	903	903	903

	2024	2024	2023	2023
	Number	£'000	Number	£'000
Ordinary shares held by the company	1,108,632	170	-	-

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

	Group		Parent Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Net increase/(decrease) in cash and cash equivalents	(2,760)	(2,815)	(418)	(4,360)
Increase/(decrease) on invoice discounting facility	1,223	(4,310)	-	-
Decrease/(increase) in bank loans and other loans	(1,729)	(3,627)	(451)	(2,094)
Decrease/(increase) in lease liabilities	863	(1,152)	-	-
Movement in net debt for the period	(2,403)	(11,904)	(869)	(6,454)
Net (debt)/funds at beginning of period	(7,027)	4,877	(1,644)	4,810
Net funds/(debt) at end of period	(9,430)	(7,027)	(2,513)	(1,644)

	Lease Liabilities	Bank Borrowing
	(Note 23)	(Note 22)
	£'000	£'000
2023	2,475	3,627
Repayment of principal	(903)	(530)
New borrowings	40	2,259
Interest paid	(120)	(333)
Cash movements total	(983)	1,396
Interest charge	120	333
Non cash movement total	120	333
2024	1,612	5,356

Notes to the Financial Statements

for the year ended 30 April 2024

27. RELATED PARTY TRANSACTIONS

Group

The Group has a related party relationship with its subsidiaries and with its key management personnel, who are 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.

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 between the Company and its subsidiaries were as follows:

	2024	2023
	£'000	£'000
Rentals received from Group undertakings	250	-
Recharge of overheads to Group undertakings	736	615

28. POST BALANCE SHEET EVENTS

An interim dividend for the year ended 30 April 2024 of 0.25p per share was paid 23 August 2024.

In May 2024 the Group purchased 136,260 of its own shares into treasury at an average cost of 11.3p. The issued share capital following the purchase is now 89,032,697 shares.

In July 2024 the land and buildings in Runcorn were sold for £1,210,000. The net book value of the land and buildings as at 30 April 2024 was £1,000,000. £700,000 of the mortgage was repaid from the funds received, reducing gearing by circa 10%.

In September 2024 the land and buildings in Haydock exchanged with completion expected shortly for £706,000. The net book value of the land and buildings as at 30 April 2024 was impaired from £740,000 to £706,000. £518,000 of the mortgage will be repaid from the funds when received, further reducing gearing by 5%.

29. ULTIMATE CONTROLLING PARTY

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

Shareholder Information

Five Year Record (unaudited)

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	Restated £'000
Turnover	30,991	35,216	14,391	10,714	8,703
Profit					
Underlying operating profit	1,844	2,713	1,574	867	357
Net interest payable	(1,021)	(458)	(82)	(111)	(127)
Underlying profit/(loss) before taxation	823	2,255	1,492	756	230
Separately disclosed items	(1,770)	(1,003)	(162)	(1,072)	(343)
Goodwill impairment	-	-	-	-	(350)
Taxation	33	6	(363)	76	82
Discontinued operations	-	-	-	715	(440)
Profit/(loss) after taxation	(914)	1,258	967	475	(821)
Interest cover (times)	1.8	5.9	19.2	8.7	0.9
Underlying earnings per share (pence)	0.95	2.60	1.39	0.84	(0.05)
Dividend per share (pence)	0.5	1.1	1.1	1.0	0.0
Assets employed					
Non-current assets	15,061	17,420	5,003	5,314	13,424
Other net assets/(liabilities)	(2,789)	(3,572)	6,704	7,423	(1,318)
Net assets	12,272	13,848	11,707	12,737	12,106
Financed by					
Share capital	903	903	859	859	826
Reserves	11,369	12,945	10,848	11,878	11,280
Shareholder's funds	12,272	13,848	11,707	12,737	12,106
Gearing (%)	77	51	n/a	n/a	66
Net assets per share (pence)	14	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 23 October 2024, at 12.00 noon for the purpose of considering and, if thought fit, passing of the following resolutions, of which Resolutions 1 to 8 will be proposed as Ordinary Resolutions, to be passed with more than half of the votes in favour of the resolution and Resolutions 9 and 10 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 2024, 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 U.K. 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 0.25p per ordinary share in respect of the year ended 30 April 2024.
6. To approve the Board Report on Directors' Remuneration for the year ended 30 April 2024.
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 2025, 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 2025 (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 13,541,640;
 - (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) 115 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 2025, 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

16 September 2024

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 48 hours prior to the time and date set for the General Meeting (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 no later than 48 hours prior to the time and date set for the General Meeting (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 5.00 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), no later than 48 hours prior to the time and date set for the General Meeting (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 & International 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 no later than 48 hours prior to the time and date set for the General Meeting 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 89,032,697 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company is 89,032,697.
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

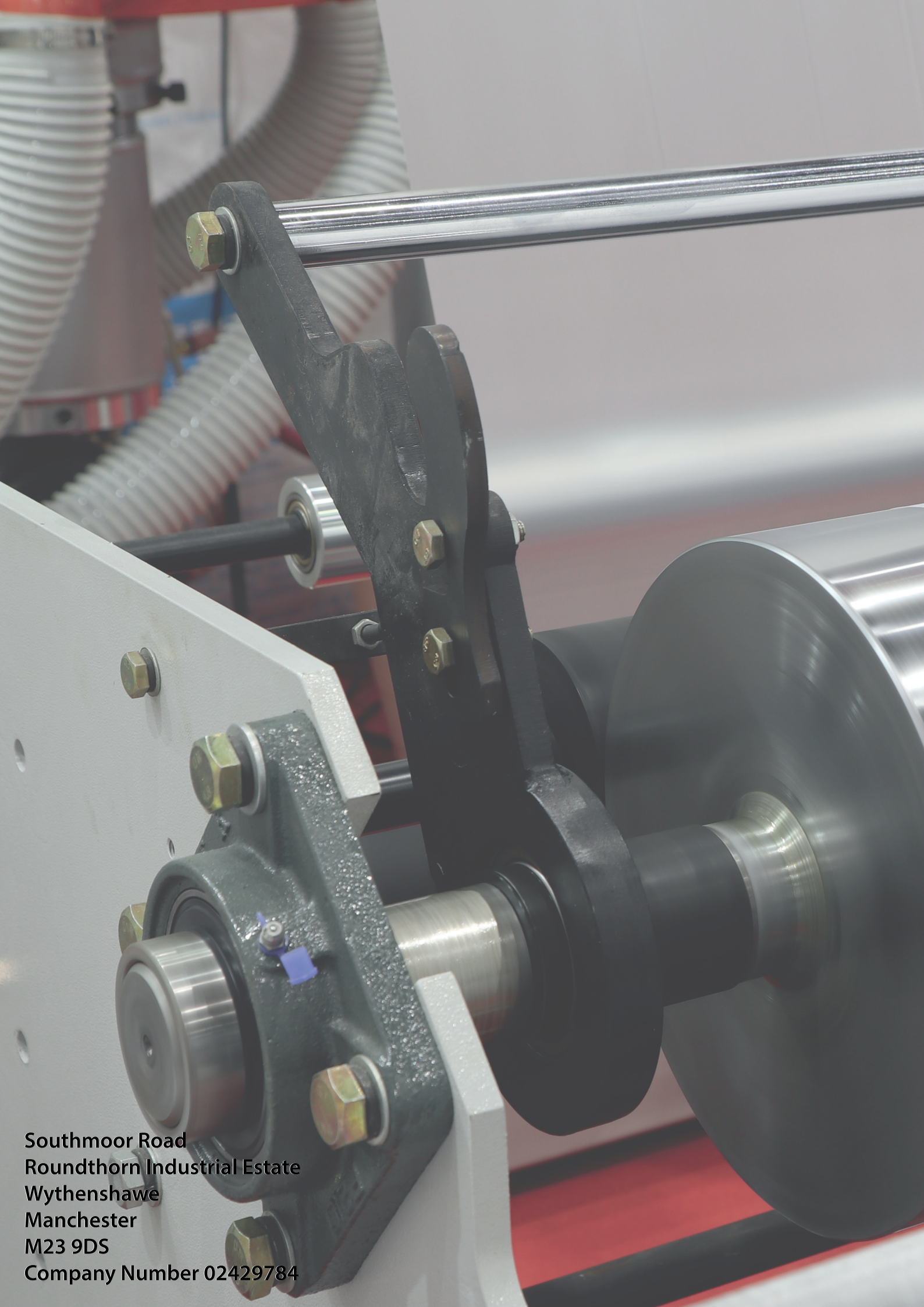
Financial Calendar

General Meeting	23 October 2024
Payment of Final Dividend	17 January 2025
Provisional - Interim results	31 January 2025

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.



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