CORAL

PRODUCTS PLC

ANNUAL REPORT AND ACCOUNTS 2017

Contents

Financial Highlights

	2017	2016
Group revenue	**£21.4m**	£18.7m
Gross margin	**34.1%**	33.1%
Profit before tax	**£0.5m**	£0.8m
(Decline)/Growth in underlying profit before tax*	**£(0.6)m**	£0.3m
(Decline)/Growth in underlying earnings per share*	**(1.16)p**	0.08p
Underlying earnings before interest, tax, depreciation and amortisation*	**£1.9m**	£2.3m
Underlying operating profit*	**£1.1m**	£1.6m

* Underlying profit measures are defined and explained in the accounting policies in note 2 of the financial statements.

Business Overview

About Us

Coral Products is a manufacturer and distributor of plastic injection, extruded and blow moulded products into a diverse range of sectors including food packaging, personal care, household, healthcare, automotive, telecoms and rail. The Group has operations in the UK with manufacturing facilities in Haydock, Merseyside, and Wythenshawe, Greater Manchester as well as a distribution facility in Hyde, Greater Manchester.

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

Overview

Whilst being listed on the Alternative Investment Market since August 2011, the Company was listed on the main market of the LSE from April 1995 to August 2011 during which time it produced fluctuating levels of profitability. Initially the Company focused on serving the VHS market with a range of video cassette cases which was later complemented by the production of plastic housewares manufactured for supermarkets' own label ranges. The early success led to its stock market float in 1995 and funds raised were invested into CD case production facilities. In 2000 the Company commenced production of DVD cases.

In recent years media packaging has been in decline due primarily to weak demand as a result of an increase in media downloading. In response to this decline, the Company has sought to diversify its product portfolio and in 2009 it launched a range of solutions for domestic recycled waste collection in the form of kerbside recycling boxes, food waste caddies and associated accessories. The Company has also built up a good reputation as a trade moulder working with its customers for solutions and offering a 24 hour 7 days a week production service.

The Group has further diversified itself via acquisitions – in 2011 the Group acquired Interpack Limited, principally operating in food packaging, in 2014 Tatra Plastics Manufacturing Limited, specialists in PVC and plastic injection moulding and extrusion and in 2016 Global One-Pak Limited, specialists in lotion pumps and trigger sprayers; Rotalac Plastics Limited, thermoplastic extrusion and moulding solutions; and the plant and machinery from Niemen Packaging Limited, injection and extrusion blow moulding. These acquisitions, as well as the acquisition of fixed assets from ICM Limited in March 2017, are described on page 3.

Strategy

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

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

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

Business Overview

continued

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

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

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

Strategic Plan

In March 2015 the Group adopted a five year plan aimed at substantially increasing Group revenue and profitability from our specialist plastic products manufacturing and distribution facilities. In July 2015, the Group took the initial step along this plan when it acquired certain assets from Neiman Packaging Limited. A further asset acquisition was completed in January 2016, from Rotalac Limited, and in February 2016 the Group acquired 100% of the equity of Global One-Pak Holdings Limited. In August 2016 Tatra Limited and Rotalac Limited were merged to form Tatra-Rotalac Limited. In March 2017, the Group acquired certain assets from ICM Limited. These acquisitions are further described on page 3.

Business Model

We look to create and grow markets for rigid plastic containers through technical innovation and design creation through internal advances and acquisition. We recognise that for many products plastic is a better container solution for handling goods and gives greater functionality, economy and a cleaner environment.

Social, Community and Human Rights Issues

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

The Group's ethical and social accountability statement details the standards of behaviour which are regarded as acceptable. Provision of a safe, clean working environment, free from discrimination, is an essential right of all the employees. In order to gain accreditation under the BRC Packaging Materials Standard on production of food containers, the premises, working practices and materials had to meet required standards of compliance. These are regularly audited to ensure the Group continues to adopt good manufacturing practices in order to develop and manufacture safe, legal packaging materials. The Group is also often audited by its customers to assess compliance with minimum acceptable standards.

Chairman’s Statement

Trading

We continue to invest in our Group adding new and improved capacity. This is creating greater sales opportunities and we anticipate significant sales growth over the current financial year. Whilst I was pleased with the increase in revenue up 14.5% to £21.4m (2016: £18.7m), the poor performance of Coral Products Mouldings (Haydock) led to a reduced underlying operating profit of £1.1m (2016: £1.6m). (Note that underlying profit is defined on page 25).

For the current year Haydock has gained substantial new business in online totes, bakery trays and automotive. These are expected to bring in circa £4.5m in additional turnover. To support the expected increase in new sales operational improvements at the Haydock plant are being addressed with pace. A new Sage 200 system is currently being integrated to enable better control of raw materials, packaging, inventory and costings. In addition, specific management focus on health and safety, hygiene and engineering processes will enable future proofing making the plant ready to accept further growth opportunities into 2018 and beyond.

Following the Five-Year Plan that was adopted in 2015 the Group has made a number of acquisitions aimed at substantially increasing Group revenue and profitability from our specialist plastic products manufacturing and distribution activities. In June 2015, we acquired certain plant and machinery from Neiman Packaging Limited. This acquisition introduced two new manufacturing processes, injection blow moulding and extrusion blow moulding, enhancing our range of manufacturing capability. In January 2016, we purchased the fixed assets, stock and business of Rotalac Plastics Limited from its administrators. Rotalac provides thermoplastic extrusion and moulding solutions across a number of industries worldwide, including aerospace, medical and automotive and is a leader in shutter system design and manufacture. This addition further enabled the broadening of the Group’s product range. In February 2016, the Group acquired Global One-Pak Limited which designs, manufactures and supplies lotion pumps and trigger sprayers to a broad range of customers worldwide, including a number of global brands, across a wide range of markets, including household and garden, automotive, personal care and pet grooming. This business expanded further the market coverage and product range with the supply of a number of high value components. These businesses have all been successfully integrated into the Group and enable us to promote a more diverse range of products and manufacturing methods, the benefits of which are already being seen.

In August 2016, the operations of Tatra Plastics Limited were relocated from Halifax to the premises of Rotalac Plastic Limited, at the same time both companies were merged to form Tatra-Rotalac Limited. In March 2017, the Group acquired the fixed assets of Industrial & Commercial Mouldings Limited (ICM), which specialised in the production of bespoke high quality injection moulded parts for the automotive industry. This acquisition greatly increased the production capacity at the Haydock site as well as allowed the move into the automotive industry. We successfully introduced 90+ automotive components during March and April. This involved substantial initial costs, the benefits of which will flow through in our new financial year.

All of the acquisitions to date have performed in line with or ahead of expectations. Unfortunately, our management and operation systems at Haydock proved inadequate for managing materially higher business volumes and a more diverse product range. Our information system also suffered similar volume related problems. These issues only became apparent in early January 2017 and immediate steps were taken to remedy the shortcomings. The Group Finance Director and Chief Executive Officer both left the business and a new Group Finance Director, Sharon Gramauskas was appointed in February 2017. In February, I assumed the position of Executive Chairman on a temporary basis until a new Chief Operating Officer (non-board member) could be appointed. I am pleased to report that a new Chief Operating Officer, Michael Wood commenced on 14 August 2017 after serving his three-month notice period with a large international plastics manufacturing group. His immediate priority is to maintain and improve upon the steps taken to date and achieve a position of sustainable profitability at our Haydock operation. I will remain Executive Chairman in support of the Chief Operating Officer to ensure all the progress at Haydock since February is maintained.

Chairman's Statement

continued

It is important to note that Interpack, Global One-Pak and Tatra Rotalac all remain substantially profitable, performing in line with or ahead of expectations.

The continuing fall in the relative value of sterling against the dollar and the euro, together with the prevailing uncertainty, could have a negative effect on our business particularly due to the Group purchasing a large proportion of stock items in these currencies. We are taking steps across the Group to mitigate these, particularly in recovering increased input costs because of sterling's decline.

Performance of the Group is monitored principally through adjusted profit measures which exclude £0.4m of underlying items. Such items include the amortisation of intangibles arising on the acquisitions of Global One-Pak and Tatra-Rotalac, acquisition costs, share based payment charges, compensation for loss of office of senior management, release of earn-out provision, reorganisation costs and losses/profits on sale of tangible assets.

The Group has increased net debt by £2.3m in the year and gearing has increased to 40.7% (2016: 23.9%). Due to production constraints, we have increased stock levels of bakery trays and we have also had to build up minimum stock levels for new customers in the automotive industry. Overall the Group reported a net cash outflow of £1.7m.

Following a revaluation of land and buildings in December 2016, a £1.7m mortgage was taken out, this was finalised and drawn down on 18 May 2017. This mortgage was used to repay two current term loans and it also gave £0.3m available cash, which was used to fund the installation of the machinery purchased from the liquidators of ICM Ltd. This new mortgage has been taken out over ten years and gives rise to savings of £0.2m in repayments per annum, providing additional cashflow flexibility.

Results

Group revenue improved for the year to £21.4m (2016: £18.7m). Margins improved slightly to 34.1% (2016: 33.1%). Underlying earnings before interest, tax, depreciation and amortisation for the group remained strong at £1.9m (2016: £2.3m) (see page 25 for the definition of underlying profit measures). Administrative expenses in the Group increased to £5.6m (2016: £4.4m) in line with the increase in Group activity. This resulted in an underlying operating profit of £1.1m (2016: £1.6m), and profit before tax of £0.5m (2016: £0.8m)

Separately disclosed underlying items totalling £0.4m (2016: £0.7m) of which £0.2m relates to the settlement costs for loss of office of former directors. The underlying profit for the financial year before taxation was £1.1 m (2016: £1.6m). Earnings per share were 0.55 pence (2016: 1.12 pence), underlying earnings per share were 1.04 pence (2016: 2.20 pence).

Dividends

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

Despite the disappointing second half and the investment in new plant, the Board has given consideration to the outlook for the current year. As a result, the Board has decided to pay a total dividend of 0.7 pence per share in respect of the financial year ended 30 April 2017. Having paid an interim dividend at 0.33 pence per share on 1 March 2017, the final payment of 0.37 pence per share will have an ex-dividend date of 21 September 2017 and a record date of 22 September 2017. This final dividend will be paid on 31 October 2017.

Chairman's Statement

continued

Board Changes

In January 2017 Steve Fletcher left the business after 17 years as Finance Director and the board would like to thank him for his service. Sharon Gramauskas was appointed Finance Director in February 2017. Sharon is a Chartered Management Accountant with over 17 years of experience in Finance. In April 2017 Roberto (Rob) Zandona left the business as Group Chief Executive and at the same time Joe Grimmond became Executive Chairman having previously acted as Non-Executive Chairman. Jonathan Lever retired as non-executive director in April 2017.

Strategy

Our board continuously reviews business performance alongside market conditions to make sure that we take the correct strategic decisions for each of our businesses. The board recognises fully that it has been tasked with delivering enhanced shareholder value in accordance with the strategy that we outlined in 2015. The challenges facing the board relate to managing the continued growth of the Group whilst preserving the strengths of the business.

Acquisition

The purchase of the fixed assets of ICM (Industrial & Commercial Mouldings) Ltd was completed on 21 March 2017. ICM specialised in the production of bespoke high-quality injection moulded parts for the automotive industry.

People

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

Outlook

The Group continues with its strategic progress of increasing focus on value-added and innovative products, particularly in the food container, automotive, telecommunications and rail industry markets. Our aim continues to be to build a significant plastic moulding business and we remain confident in our ability to make further progress by improving business performance and increasing our market share to drive forward financial results over the medium term.

We look forward with confidence to further progress in the coming year.

Joe Grimmond

Chairman

13 September 2017

Strategic Report

Review of the Business

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

In March 2017, the Group acquired the fixed assets of ICM (Industrial & Commercial Mouldings) Limited, machinery which allows the Group to specialise in the production of bespoke high-quality injection moulded parts for the automotive industry.

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

FINANCIAL REVIEW

Income Statement

Group revenues for the year ended 30 April 2017 were £2.7m higher at £21.4m (2016: £18.7m). Of this, food container sales remained at £7.0m (2016: £7.0m) whilst sales for Tatra Rotalac increased to £6.8m (2016: £5.5m). The Group has continued to expand its processes in order to be able to attract more business growth from sales in areas of market growth.

Gross margins increased to 34.1% (2016: 33.1%) due to a better mix of sales and resulted in a gross profit of £7.3m (2016: £6.2m). Underlying operating profit (defined on page 25) decreased by 33.7% to £1.1m (2016: £1.6m) and underlying earnings before interest, tax, depreciation and amortisation increased to £1.9m (2016: £2.3m). Net financing costs remained similar at £0.2m (2016: £0.2m) despite additional borrowing to fund acquisitions and asset purchases. Separately recorded, underlying costs as disclosed in note 6 of £0.4m (2016: £0.7m) resulted from acquisition costs, intangibles amortisation and reorganisation costs, as well as share based payment charges, compensation for loss of office of senior management, and loss on disposal of tangible assets. Profit before tax was £0.5m (2016: £0.8m).

The total dividend for the year is 0.7p (2016: 1.0p) resulting in dividend cover on underlying operating profit of 1.89 times earnings for the year (2016: 2.5 times). Basic earnings per share for the year decreased to 0.55 pence (2016: 1.12 pence).

Balance Sheet

Total shareholders' equity increased by £0.1m to £13.8m (2016: £13.7m), with net assets per share increasing to 16.7 pence (2016: 16.6 pence).

By exception, points of note with regard to the balance sheet are:

- Property, plant and equipment has increased £1.9m as a result of investment in factory plant and equipment.
- Inventories have increased £1.0m as a result of a conscious decision by the directors to achieve minimum stock levels subjected to the Group by certain customers.
- Borrowings have increased £2.1m, supporting the investment in plant and equipment through increased asset finance via finance leases and also through greater use of the invoice discounting facilities across the Group.

Strategic Report

continued

Cash Flow

Operating cash flows before movements in working capital were £2.0m (2016: £1.8m). The Group's net debt increased to £5.6m (2016: £3.3m) with the level of gearing rising from 23.9% to 40.7%. The Group has a mix of secured borrowing facilities totalling £4.8m in addition to £1.5m of term loans. The term loans are repayable over 4 - 10 years with £0.4m payable over the next financial year. The borrowing facilities are held with Barclays Bank plc and the Group continues to enjoy a positive relationship with its bank and has recently agreed a further renewal to cover the period to June 2018.

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 trading activity.

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

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

Key Performance Indicators (KPIs)

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

	2017	2016
Group revenue	**£21.4m**	£18.7m
Gross margin	**34.1%**	33.1%
Profit before tax	**£0.5m**	£0.8m
(Decline)/Growth in underlying profit before tax	**£(0.6)m**	£0.3m
(Decline)/Growth in underlying earnings per share	**(1.16)p**	0.08p
Underlying earnings before interest, tax, depreciation and amortisation	**£1.9m**	£2.3m
Underlying operating profit	**£1.1m**	£1.6m
Gearing	**40.7%**	23.9%

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

Risks and Uncertainties

The Group faces various risks and uncertainties, which include:

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

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.

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

Diversity

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

As a predominantly manufacturing Group, few women apply for positions within the production areas. However, women are well represented in other areas of the business and account for 18% of the Group workforce as at 30 April 2017.

Position	Male	Female	Total
Group Directors	3	1	4
Senior Managers	12	2	14
Other Employees	116	26	142
Total Employees	131	29	160

Strategic Report

continued

Social, Community and Human Rights

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

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

UK Referendum on EU Membership

The referendum on the UK's membership of the EU on 23 June 2016 increases economic uncertainty. The Group actively monitors and considers the economic situation to ensure it is well prepared for all eventualities once the full effect of the referendum result is known. The Group is currently reviewing steps to mitigate the movement in exchange rates, as described on page 4.

Going concern

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 the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

This strategic report was approved by the board on 13 September 2017.

Sharon Gramauskas

Finance Director

Directors and Advisers

Non-executive Directors

David Low, *Non-executive*

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

Executive Directors

Joe Grimmond, *Chairman*

Joe was appointed in March 2011. He was previously Chief Executive of James Dickie plc and Chairman of Widney plc. Joe was appointed as non-executive Chairman at the AGM in 2011 and in December 2015, become Executive Chairman. In June 2016 he became non-executive Chairman following the appointment of Roberto Zandona. He became Executive Chairman again in April 2017 following Roberto Zandona's retirement as director. Mr Grimmond is a Fellow of the Association of Accounting Technicians.

Sharon Gramauskas, *ACMA, Finance Director and Company Secretary*

Sharon was appointed in February 2017. She joined Coral Products Mouldings Ltd as Group Financial Controller in December 2016. She has 17 years of experience. She previously acted as Financial Controller of James Dewhurst Ltd, prior to this she held accounting positions at Pets Choice Ltd, Thames Water, Scott Health and Safety Ltd and Uniqema Ltd. Sharon is an Associate of the Chartered Institute for Management Accountants.

Paul Freud, *Corporate Development Director*

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

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Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 30 April 2017.

Results and Dividends

The results for the year are set out on page 20. This shows a Group profit after taxation of £0.5m (2016: £0.7m).

A dividend of 0.7p per share in respect of the year ended 30 April 2016 was paid on 21 October 2016. The amount of this dividend was £578,302.

An interim dividend of 0.33p (2016: 0.3p) amounting to £272,628 was paid on 1 March 2017.

A final dividend of 0.37p (2016: 0.7p) per share is recommended in respect of the year ended 30 April 2017 to be paid on 31 October 2017 to shareholders on the register at the close of business on 21 September 2017. This has not been included within creditors as it was not approved before the year end.

A review of the Group's activities for the year end and its future prospects is set out in the Business Review, Chairman's Statement and Strategic Report.

Principal Activity

The principal activity of the Company and its subsidiaries is the manufacture of plastic injection moulded products and the reseller and distributor of a range of food packaging products. The Group also operates as a trade moulder for other UK Companies. It has been in operation since 1990, became a fully listed plc in 1995 and moved to the AIM market in 2011.

Directors

The current directors of the Company are given on page 10. During the year, the following changes in directors took place:

Steve Fletcher left the business as Financial Director and Company Secretary in January 2017.

Roberto Zandona left the business as Chief Executive in April 2017.

Sharon Gramauskas was appointed as Financial Director and Company Secretary in February 2017.

Jonathan Lever retired as non-executive director in April 2017.

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

Directors' Interests in the Shares of the Company

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

	Ordinary shares of 1p each 30 April 2017 Number	**Ordinary shares of 1p each 30 April 2016 Number**
Joe Grimmond	**5,273,337**	5,173,337
Paul Freud	**1,948,333**	1,833,333
David Low	**825,000**	805,000
Stephen Fletcher	**n/a**	72,000
Sharon Gramauskas	**-**	n/a
	8,046,670	7,883,670

No other shareholdings listed above have changed between the year-end date and the date of this report.

Directors' Report

continued

Substantial Interests

As at 18 August 2017, 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
Bank of New York (Nominees) Ltd	10,352,271	12.53
BNY (OCS) Nominees Ltd	6,554,951	7.93
JIM Nominees Ltd	6,336,810	7.67
HSBC Global Custody Nominee (UK) Ltd	5,677,386	6.87
Speirs & Jeffrey Client Nominees Ltd	4,388,075	5.31
Share Nominees Ltd	3,090,180	3.74
Nortrust Nominees Ltd	2,480,000	3.00

Share Capital

At the 2016 Annual General Meeting, the Company was granted authority to purchase up to a maximum of 15% of its own shares. The authority expires at the conclusion of the forthcoming Annual General Meeting at which a special resolution will be proposed to renew the authority for a further year. Any shares purchased in accordance with this authority will be subsequently cancelled.

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.

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. The Audit Committee meets at the year-end and the external auditor attends this meeting and have direct access to the non-executive directors for independent decisions. The Audit Committee may examine any matters relating to the financial affairs and risk issues affecting the Group which includes reviewing the accounts, announcements, internal controls, accounting policies, and appointment of the external auditor.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

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

Directors' Report

continued

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

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

Environment and Sustainability

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

Product Safety

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

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.

Financial Risk Management Objectives and Policies

Business risks and uncertainties are included within the Strategic Report on page 8 and financial risks are set out on page 31.

Creditor Payment Policy

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

The number of days purchases in trade creditors at the year-end amounted to 59 days (2016: 49 days).

Shareholder Relations

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

Directors' Report

continued

Health and Safety

It is Group policy to protect the health and safety of its employees and any other parties involved in its business operations. Systems are in place to define and eliminate health and safety risks.

Corporate Social Responsibility and Governance

The Group is committed to responsible business practices, good corporate governance and sound risk management.

Employment and Human Rights

The Group is an equal opportunities employer and applies employment policies which are fair and equitable. Appointments, training and career development are determined solely by application of job criteria, personal ability and competence regardless of gender, race, disability, age, sexual orientation or religious or political beliefs.

Where suitable opportunities exist, full and fair consideration is given to the possibility of employing a disabled person. Where an employee becomes disabled whilst in employment, every effort is made to find continuing employment. Policies are in place which aim to deter acts of harassment and discrimination and any breach of either of these policies is met with zero tolerance.

Auditor

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

Disclosure of Information to Auditor

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

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

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

Post Balance Sheet Events

Although not impacting the year-end balance sheet, we report that following a revaluation of land and buildings, a £1.7m mortgage was finalised and drawn down on 18 May 2017. This mortgage was used to repay two current term loans and also gave rise to £0.3m available cash which was used to fund the installation of the machinery purchased from the liquidators of ICM Ltd. This new mortgage has been taken out over ten years and gives rise to savings of £0.2m in repayments per annum.

Annual General Meeting

The AGM will be held on Wednesday 11 October 2017 in Leverhulme Room One at Haydock Race Track, Newton-le-Willows, Merseyside, WA12 0HQ. The Notice of Meeting is contained on pages 49 to 51 of this report. At the meeting, resolutions will be prepared to receive the audited accounts and approve the Remuneration Report, to elect directors and to re-appoint BDO LLP as auditor. In addition, shareholders will be asked to renew both the general authority of the directors to issue shares and to authorise the directors to issue shares without applying the statutory pre-emption rights. The directors have no present intention of exercising the authority if granted, but consider it will be commercially useful to have the authority should they need to allot shares for any purpose in the future.

By order of the Board

S Gramauskas

Company Secretary

13 September 2017

Directors’ Remuneration Report

Introduction

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

Unaudited information

Remuneration Committee

The Group has established a Remuneration Committee, which now comprises Joe Grimmond (Chairman) and David Low.

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

Remuneration Policy

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

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

Basic Salary

An executive director’s basic salary is determined by the Remuneration Committee prior to the beginning of each year and when an individual changes position or responsibility. In deciding appropriate levels, the Committee considers the Group as a whole and by reference to other companies in the media and manufacturing sectors. Basic salaries were reviewed in June 2016.

Executive directors’ contracts of service which include details of remuneration will be available for inspection at the Annual General Meeting. In addition to basic salary, the executive directors receive pension contributions and certain benefits-in-kind, principally medical insurance.

Pension Contributions

The executive directors have individual pension arrangements in the form of personal pension plans. The Group makes a contribution at a rate of 8% of basic salary towards funding each director’s pension plan.

Performance Bonus

There is no performance bonus in place however, the remuneration committee is empowered to make awards for special circumstances if appropriate.

Share Options

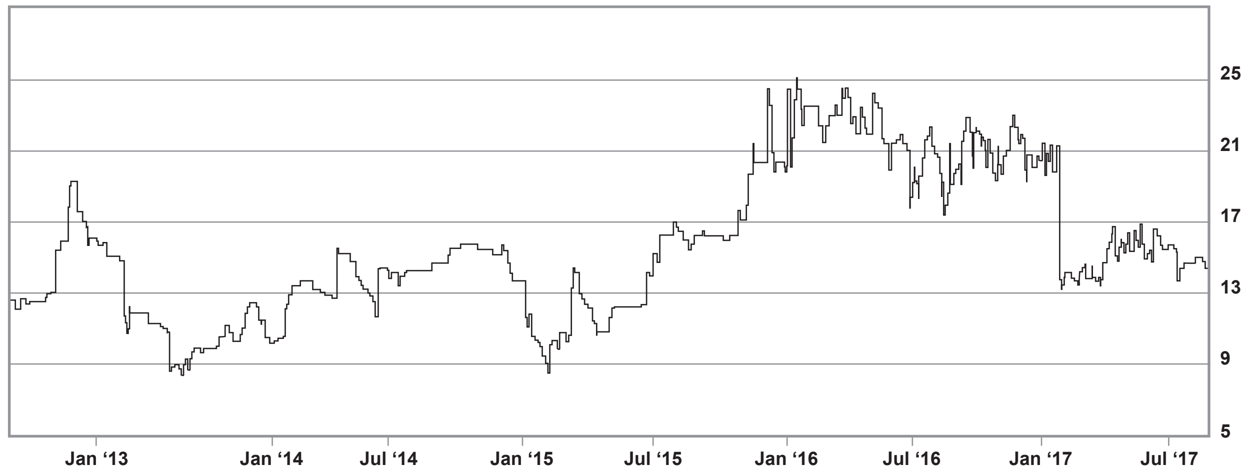
The Company adopted an Enterprise Management Incentives share option scheme in December 2015. It issued 1,650,000 options to subscribe for new ordinary shares in the Company at an exercise price of 16p per share. These options will be exercisable at any time between the second and the tenth anniversary of the issue date. Certain share options have lapsed during the year as disclosed in note 21.

Directors' Remuneration Report

continued

Performance Graph

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



Directors' Contracts

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

	Date of contract	Notice period
Paul Freud	July 2015	3 months
Joe Grimmond	N/A	N/A
Sharon Gramauskas	February 2017	6 months

Non-Executive Directors

The service contracts of non-executive directors were originally set for an initial period of three years. They are now required to submit themselves for re-election every year and the Board believes this to be appropriate in the circumstances. David Low was appointed as non-executive on 4 September 2014. The non-executive director has specific terms of engagement and his 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 £26,000. Jonathan Lever retired as non-executive director in April 2017.

Audited information

Directors' Remuneration

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

	2017 Executive £'000	**2017 Non-executive £'000**	**2017 Total £'000**	2016 Total £'000
Emoluments	**287**	**79**	**366**	345
Pension contributions - defined contribution scheme	**6**	**-**	**6**	7
Compensation for loss of office	**153**	**-**	**153**	-
Share based payment	**(12)**	**-**	**(12)**	9
	434	**79**	**513**	361

Directors' Remuneration Report

continued

Emoluments – Executive Directors

	2017 Basic salary £'000	2017 Benefits –in-kind £'000	2017 Pension £'000	2017 Loss of Office Compensation £'000	2017 Share based payment £'000	2017 Total £'000	2016 Total £'000
Stephen Fletcher	**70**	**-**	**-**	**62**	**(12)**	**120**	115
Paul Freud	**100**	**3**	**-**	**-**	**-**	**103**	106
Rob Zandona	**94**	**-**	**6**	**91**	**-**	**191**	-
Sharon Gramauskas	**8**	**-**	**-**	**-**	**-**	**8**	-
Joe Grimmond*	**12**	**-**	**-**	**-**	**-**	**12**	100
	284	**3**	**6**	**153**	**(12)**	**434**	321

* Emoluments whilst acting as executive Chairman.

Emoluments – Non-executive Directors

	2017 £'000	2016 £'000
David Low	**26**	25
Joe Grimmond	**38**	-
Jonathan Lever	**15**	15
	79	40

By order of the Board

Joe Grimmond

Chairman of the Remuneration Committee

13 September 2017

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

We have audited the financial statements of Coral Products plc for the year ended 30 April 2017 which comprise the Group income statement, the Group statement of comprehensive income, the Group and Parent Company balance sheets, the Group and Parent Company statements of changes in equity, the Group and Parent Company cash flow statements, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the FRC's Website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 April 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union; and
- the Parent Company financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

Gary Harding (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, United Kingdom
13 September 2017

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

Group Income Statement

for the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Continuing operations			
Revenue	5	**21,432**	18,714
Cost of sales		**(14,114)**	(12,512)
Gross profit		**7,318**	6,202
Operating costs			
Distribution expenses		**(1,000)**	(863)
Administrative expenses before separately disclosed items		**(5,225)**	(3,690)
Separately disclosed items	6	**(400)**	(711)
Administrative expenses		**(5,625)**	(4,401)
Operating profit	7	**693**	938
Finance costs	8	**(228)**	(180)
Profit for the financial year before taxation		**465**	758
Taxation	10	**(7)**	(15)
Profit for the financial year attributable to the equity holders		**458**	743
Earnings per share			
Basic and dilutive earnings per ordinary share	11	**0.55p**	1.12p

Group Statement of Comprehensive Income

for the year ended 30 April 2017

	2017 £'000	2016 £'000
Profit for the financial year	**458**	743
Revaluation of land and building	**506**	-
Total comprehensive income for the year attributable to equity holders	**964**	743

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

Balance Sheets

as at 30 April 2017

Company reference: 0**2429784**

		Group		Parent Company	
		As at 30 April	As at 30 April	**As at 30 April**	As at 30 April
		2017	2016	**2017**	2016
	Note	**£'000**	£'000	**£'000**	£'000
ASSETS					
Non-current assets					
Goodwill	14	**5,495**	5,495	**-**	-
Other intangible assets	15	**2,038**	2,390	**-**	-
Property, plant and equipment	16	**8,411**	6,517	**2,508**	1,857
Investments in subsidiaries	13	**-**	-	**10,816**	10,420
Total non-current assets		**15,944**	14,402	**13,324**	12,277
Current assets					
Inventories	17	**2,883**	1,843	**-**	-
Trade and other receivables	18	**5,529**	5,279	**1,407**	3,564
Cash and cash equivalents		**673**	910	**-**	-
Total current assets		**9,085**	8,032	**1,407**	3,564
LIABILITIES					
Current liabilities					
Borrowings	20	**3,808**	2,062	**355**	355
Trade and other payables	19	**4,487**	4,054	**102**	105
Total current liabilities		**8,295**	6,116	**457**	460
Net current assets		**790**	1,916	**950**	3,104
Non-current liabilities					
Borrowings	20	**2,475**	2,122	**1,107**	1,478
Deferred tax	10	**462**	508	-	-
Total non-current liabilities		**2,937**	2,630	**1,107**	1,478
NET ASSETS		**13,797**	13,688	**13,167**	13,903
SHAREHOLDERS' EQUITY					
Share capital	22	**826**	826	**826**	826
Share premium		**5,288**	5,288	**5,288**	5,288
Other reserves		**1,567**	1,061	**1,567**	1,061
Retained earnings		**6,116**	6,513	**5,486**	6,728
TOTAL SHAREHOLDERS' EQUITY		**13,797**	13,688	**13,167**	13,903

An income statement is not provided for the Parent Company as permitted by section 408 of the Companies Act 2006. The loss dealt within the financial statements of Coral Products Plc was £0.4m (2016: £0.2m).

The financial statements on pages 19 to 47 were approved by the Board of Directors on 13 September 2017 and were signed on its behalf by:

Joe Grimmond
Director

Sharon Gramauskas
Director

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

Statement of Changes in Shareholders' Equity

for the year ended 30 April 2017

	Note	Called Up Share Capital £'000	Share Premium Reserve £'000	Other reserves £'000	Retained Earnings £'000	Total Equity £'000
Group						
At 1 May 2015		579	1,862	443	6,237	9,121
Profit for the year		-	-	-	743	743
Total comprehensive income		-	-	-	743	743
Transactions with owners						
Issue of share capital		247	3,426	618	-	4,291
Credit to equity for equity settled share based payments	21	-	-	-	28	28
Dividend paid	12	-	-	-	(495)	(495)
At 1 May 2016		**826**	**5,288**	**1,061**	**6,513**	**13,688**
Profit for the year		-	-	-	458	458
Other comprehensive income		-	-	506	-	506
Total comprehensive income		-	-	506	458	964
Transactions with owners						
Debit to equity for equity settled share based payments	21	-	-	-	(4)	(4)
Dividend paid	12	-	-	-	(851)	(851)
At 30 April 2017		**826**	**5,288**	**1,567**	**6,116**	**13,797**

	Note	Called Up Share Capital £'000	Share Premium Reserve £'000	Other reserves £'000	Retained Earnings £'000	Total Equity £'000
Parent Company						
At 1 May 2015		579	1,862	443	7,370	10,254
Loss for the year		-	-	-	(175)	(175)
Total comprehensive income		-	-	-	(175)	(175)
Transactions with owners						
Issue of share capital		247	3,426	618	-	4,291
Credit to equity for equity settled share based payments	21	-	-	-	28	28
Dividend paid	12	-	-	-	(495)	(495)
At 1 May 2016		**826**	**5,288**	**1,061**	**6,728**	**13,903**
Loss for the year		-	-	-	(387)	(387)
Other comprehensive income		-	-	506	-	506
Total comprehensive income		-	-	506	(387)	119
Transactions with owners						
Debit to equity for equity settled share based payments	21	-	-	-	(4)	(4)
Dividend paid	12	-	-	-	(851)	(851)
At 30 April 2017		**826**	**5,288**	**1,567**	**5,486**	**13,167**

Cash Flow Statements

for the year ended 30 April 2017

		Group		Parent Company	
		2017	2016	**2017**	2016
	Note	**£'000**	£'000	**£'000**	£'000
Cash flows from operating activities					
Profit/(loss) for the year		**458**	743	**(387)**	(175)
Adjustments for:					
Depreciation of property, plant and equipment	16	**821**	678	**-**	31
Profit on disposal of tangible assets	7	**44**	50	**-**	-
Amortisation of intangible assets	15	**352**	133	**-**	-
Share based payment (credit)/charge	21	**(4)**	28	**-**	-
Release of earn-out provision	28	**93**	-	**-**	-
Interest payable	8	**228**	180	**75**	65
Taxation charge	10	**7**	15	**-**	-
Operating cash flows before movements in working capital		**1,999**	1,827	**(312)**	(79)
Increase in inventories		**(1,040)**	(174)	**-**	-
(Increase)/decrease in trade and other receivables		**(250)**	(455)	**1,757**	(235)
Decrease/(increase) in trade and other payables		**452**	658	**(3)**	(20)
Cash generated by operations		**1,161**	1,856	**1,442**	(334)
UK corporation tax paid		**(66)**	(40)	**-**	-
Net cash generated from operating activities		**1,095**	1,816	**1,442**	(334)
Cash flows from investing activities					
Proceed from disposal of property, plant and equipment		**46**	-	**-**	-
Acquisition of subsidiary, net of cash acquired	28	**(100)**	(2,402)	**-**	(2,935)
Acquisition of property, plant and equipment		**(919)**	(1,668)	**(145)**	(8)
Net cash used in investing activities		**(973)**	(4,070)	**(145)**	(2,943)
Cash flows from financing activities					
Proceeds of issue of share capital		**-**	3,641	**-**	3,641
New bank loans raised		**-**	1,150	**-**	1,150
Dividends paid	12	**(851)**	(495)	**(851)**	(495)
New asset finance raised		**208**	463	**-**	-
Interest paid on borrowings		**(228)**	(180)	**(75)**	(65)
Repayments of bank borrowings		**(371)**	(666)	**(371)**	(666)
Repayment of director's loan		**-**	(200)	**-**	-
Repayments of obligations under finance lease		**(558)**	(205)	**-**	-
Net cash used in financing activities		**(1,800)**	3,508	**(1,297)**	3,565
Net (decrease)/increase in cash and cash equivalents		**(1,678)**	1,254	**-**	288
Cash and cash equivalents at 1 May		**(493)**	(1,747)	**-**	(288)
Cash and cash equivalents at 30 April		**2,171**	(493)	**-**	-
Cash		**673**	910	**-**	-
Invoice discounting facility		**(2,844)**	(1,403)	**-**	-
Cash and cash equivalents at 30 April		**(2,171)**	(493)	**-**	-

Notes to the Financial Statements

for the year ended 30 April 2017

1. GENERAL INFORMATION

Coral Products plc is a public limited Company ('Company') incorporated in the United Kingdom under the Companies Act 2006. The Company's ordinary shares are traded on the AIM (Alternative Investment Market) market. The consolidated financial statements of the Group as at and for the year ended 30 April 2017 comprise the Company and its subsidiaries (together referred to as the 'Group'). The address of the registered office is given on page 10. 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 Review on pages 1 to 2 and the Chairman's Statement on pages 3 to 5. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report on pages 6 to 9.

The directors have considered all new and amended Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Reporting Interpretations Committee (IFRIC). No standards or interpretations have had a material impact on the preparations of the financial statements.

As at the date of authorisation of these financial statements, the following standards, amendments and interpretations, have been issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), but are not yet effective and, therefore, have not been adopted by the Company:

Standards

There were no new standards, interpretations or amendments effective for the first time for periods beginning on or after 1 January 2016 that had a significant effect on the Group's financial statements.

As at 30 April 2017, the following Standards and Interpretations which have not been applied in this financial information were in issue but not yet effective (and in some cases, had not yet been adopted by the EU):

IFRS 9, Financial instruments

IFRS 15, Revenue from contracts with customers

IFRS 16, Leases

Disclosure Initiative: Amendments to IAS 7

Clarifications to IFRS 15 revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Annual Improvements to IFRSs (2014-2016 Cycle)

The Directors are currently considering the potential impact of adoption of these standards and interpretations in future periods on the consolidated financial statements of the Group.

In respect of the above, the Directors are specifically reviewing the requirements of IFRS 15, which will become effective for the 30 April 2019 year end. In particular an assessment is ongoing around specific elements within the standard's guidance relating to recognition of revenue. Similarly, the Directors are currently reviewing the impact of IFRS 16 and IFRS 9 which will become effective for the 30 April 2020 year end. At this point it is not practicable for the Directors to provide a reasonable estimate of the effect of IFRS 9 or IFRS 16 as their detailed review of this standard is ongoing.

Amendments

Annual Improvements 2012-2014 Cycle
Amendments for investment entities (IFRS 10, IFRS 12 and IAS 28)
Amendments to IAS1, disclosure initiative
Amendments to IAS16 and IAS38, Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS27, Equity Method in Separate Financial Statements

The Directors are currently considering the potential impact of adoption of these standards and interpretations in future periods on the consolidated financial statements of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for the revaluation of the Group's land and buildings and financial instruments that are measured at fair values in the accounting policies below.

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

Basis of Consolidation

The Group's financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 30 April 2017. 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 intragroup balances and transactions, including unrealised profits arising from them, are eliminated in full.

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

Going Concern

In adopting the going concern basis for preparing the financial statements, the Board has considered the business activities as set out in the Chairman's Statement and the Strategic Report as well as the Group's principal risks and uncertainties as set out in the Strategic Report. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements. The Group has renewed its Invoice Discounting line and overdraft facility. The next annual review is scheduled for June 2018.

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 forecast 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.

To ensure the continuation of the Group the directors regularly review the revenue generating activities, gross margin levels and cash flows of the Group, both in the short and medium term, and have a thorough approach to managing the working capital of the business by holding regular reviews with the managing directors of each division of the Group. The Group meets its day to day working capital requirements through invoice discounting facilities, an overdraft and short term borrowing facilities which are due for renewal in June 2018. The directors, through ongoing correspondence with the lenders, expect that the facilities will be extended for a further 12 months.

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

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

Having taken all of the above factors into consideration, the directors have reached a conclusion that the Company and the Group are able to manage their business risks and operate within existing and expected 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

The Board believes that underlying profit and underlying earnings provide additional useful information for shareholders and 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.

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 costs, adjustments to contingent consideration, loss on disposal of tangible assets, reorganisation costs, compensation for loss of office, retirement costs of former directors and impairment loss on trade receivables. Collectively these are referred to as separately disclosed items.

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 has a number of operating segments based on the subsidiaries that trade within the Group, but one reporting segment due to the nature of services provided across the whole Group being the same, being organised around its core market of moulded plastic products, as well as due to the subsidiaries having similar risk profiles. Information reported to the Group's Executive Chairman for the purpose of resource allocation and assessment of performance is focused on the

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for the year ended 30 April 2017

Segmental Reporting (continued)

Group's performance as a whole. Internal management reports are reviewed by the directors on a monthly basis, including revenue information by subsidiary. Such revenue information alone does not constitute sufficient information upon which to base resource allocation decisions.

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

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. For the majority of the Group this is on despatch. Revenue for Global One-Pak Limited, a subsidiary acquired in the prior year, is recognised on delivery based on existing terms of sale prior to acquisition.

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. 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.

Notes to the Financial Statements

for the year ended 30 April 2017

Taxation (continued)

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

Goodwill

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

Cost comprises the fair value of assets transferred by the group, liabilities incurred by the group and equity instruments issued. 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 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 aside from land and buildings, which are held in the balance sheet at their revalued amounts, being the fair value at date of revaluation, less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date. The revaluation increase is credited to other reserves in the year.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

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

Property	-	2%
Plant and equipment	-	10-25%
Fixtures and fittings	-	10-33%
Motor vehicles	-	25%

Freehold land is not depreciated.

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.

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 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 lists	-	12.5-33%
Brands	-	10%
Licences	-	10%

Impairment of Tangible and Intangible Assets Excluding Goodwill

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

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

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

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

Inventories

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

Financial Assets

Financial assets are recognised at fair value on the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, e.g. trade receivables. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Loans and receivables (continued)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances together with bank overdrafts that are repayable on demand. The bank overdraft includes an invoice discount facility secured on the debtor book of Group companies.

Financial Liabilities

Financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding;
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Equity Instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Leased Assets

Leases for which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease. The capital element reduces the balance owed to the lessor.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight-line basis over the lease term.

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 2017.

Those fair values are charged to the income statement over the relevant vesting period adjusted to reflect the actual and expected vesting levels. The Group calculates the fair market value of the options as being based on the market value of a Company's share at the date of grant adjusted to reflect the fact that an employee is not entitled to receive dividends over the relevant holding period. The total amount to be expensed over the vesting period is determined with reference to the fair value of options granted, excluding the impact of any non-market vesting conditions. Non market vesting conditions are included in the assumptions about the number of options expected to vest. At each reporting date the Group revises its estimate of the number of options expected to vest.

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

Investments in Subsidiaries

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

Dividends

Dividends receivable by the Company are recognised in the income statement if they are declared, appropriately authorised and no longer at the discretion of the entity paying the dividend, prior to the balance sheet date. Dividends payable by the Company are recognised when declared and therefore final dividends proposed after the balance sheet date are not recognised as a liability at the balance sheet date. Dividends paid to shareholders are shown as a movement in equity.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities, are outlined below.

Inventory Valuation

Inventories are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment, and inventory loss trends.

Impairment Reviews

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

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Business Combinations

IFRS 3 'Business Combinations' requires that the consideration for an acquisition is recorded at fair value. Where contingent consideration is part of the acquisition cost then the directors estimate the fair value of the amount payable. Contingent consideration is revalued at each reporting period according to the latest forecasts of the acquired business based on the terms of the earn-out arrangement. Where deferred consideration is part of an acquisition cost then it is recorded and held on the balance sheet at amortised cost. Assets and liabilities must also be recognised at fair value on acquisition. The identification and measurement of contingent liabilities and intangible assets are key areas of judgement. For intangible assets appropriate valuation methods are used, including royalty rates and the income approach to recognise the fair value of the assets acquired.

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
  - Foreign currency risk
- Liquidity risk
- 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 receivables
- Cash at bank
- Trade and other payables
- Finance leases, operating leases and hire purchase agreements
- Bank loans, overdrafts and invoice discounting facilities
- Other external loans

Market Risk

Market risk arises from the Group's use of interest bearing, tradable 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. Interest rate swaps are used to achieve the desired mix if the Board consider the proportion to be outside the limits, however no such arrangements are currently in place (2016: same). The Group uses a mixture of fixed and variable rate loan and finance lease facilities in order to mitigate its interest rate exposure.

Foreign Currency Risk

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

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.

Credit Risk

Cash deposits and financial transactions give rise to credit risk in the event that counterparties fail to perform under the contract. The Group regularly monitors the credit ratings of its counterparties and controls the amount of credit risk by adhering to limits set by the board.

Capital Disclosures

Capital comprises share capital, share premium and retained earnings.

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

Sensitivity Analysis

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

The annualised effect of a 1% increase in the interest rate at the balance sheet date on the variable rate debt carried at that date would, all other variables being held constant, have resulted in a decrease of the Group's post-tax profit for the year of £28,000.

The Group's foreign exchange risk is dependent on the movement in the euro to sterling exchange rate. The effect of a 5% strengthening in the euro against sterling at the balance sheet date on the euro denominated trade debt at the date and on the annualised interest on that amount would, all other variables being held constant, have resulted in a decrease in the post-tax profit for the year of £9,000. A 5% weakening in the exchange rate would, on the same basis, have increased post-tax profit by £10,000.

The other numerical disclosures required by IFRS7 in relation to financial instruments are included in notes 18, 19 and 20.

5. REVENUE

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

	2017	2016
	£'000	£'000
Continuing operations		
UK	**19,980**	18,151
Rest of Europe	**706**	408
Rest of the World	**746**	155
	21,432	18,714

All Group revenue is in respect of the sale of goods. No single customer contributed 10% or more to the Group's revenue for the year ended 30 April 2017. In 2016, no single customer contributed 10% or more to Group revenue.

All non-current assets are held in the UK.

Notes to the Financial Statements

for the year ended 30 April 2017

6. UNDERLYING PROFIT AND SEPARATELY DISCLOSED ITEMS

	2017	2016
	£'000	£'000
Underlying operating profit	**1,093**	1,649
Separately disclosed items within administrative expenses		
Share based payment credit/(charge) (note 21)	**4**	(28)
Amortisation of intangible assets (customer relationships and brands) (note 15)	**(352)**	(118)
Acquisition costs (note 14)	**-**	(67)
Compensation for loss of office	**(189)**	(30)
Release provision for earn-out agreement	**93**	-
Profit on disposal of tangible assets	**44**	(50)
Reorganisation costs	**-**	(418)
Total separately disclosed items	**(400)**	(711)
Operating profit	**693**	938

Separately disclosed items in the current year are referenced where applicable to other notes. In the year the items include releasing the provision recognised at the prior year-end on the earn-out agreement on the purchase of Niemen's fixed assets, following the failure to meet contractual revenue targets in the defined period post acquisition, a release that is considered exceptional. Compensation paid to senior management for loss of office of £189,000 results mainly from Board changes in the year not expected to re-occur. Further, the directors deem the profit on disposal of tangible assets of £44,000 to be separately disclosable on the basis of the transaction not reflecting day-to-day trading activity.

Separately disclosed items in the prior year include restructuring and relocation of a subsidiary amounting to £418,000, and compensation paid to senior management for loss of office of £30,000, as well as other costs referenced to specific notes.

7. OPERATING PROFIT

	2017	2016
	£'000	£'000
This is stated after charging/(crediting) the following		
Staff costs (note 9)	**4,750**	3,827
Impairment loss recognised on trade receivables	**-**	39
Cost of inventories recognised as expense	**5,697**	9,479
Net foreign exchange gains	**(168)**	(424)
Depreciation of property, plant and equipment:		
Owned assets	**598**	555
Under finance leases	**223**	123
Amortisation of intangible assets	**352**	133
Profit on disposal of property, plant and equipment	**(44)**	(50)
Rentals under operating leases:		
Hire of plant and machinery	**36**	43
Land and buildings	**136**	130
Auditor's remuneration for statutory audit services to this Company	**14**	10
Auditor's remuneration for statutory audit services to subsidiaries	**36**	32

There are no non-audit fees payable to the auditor.

Notes to the Financial Statements

for the year ended 30 April 2017

8. FINANCE COSTS

	2017	2016
	£'000	£'000
Interest payable on bank borrowings	**57**	37
Interest payable on finance leases	**95**	66
Interest payable on term loans	**75**	65
Interest payable on other loans	**1**	12
	228	180

9. STAFF COSTS

	2017	2016
	No.	No.
Average number of employees (including executive directors) comprised		
Production	**119**	137
Selling and distribution	**16**	19
Administration	**25**	23
	160	179

	2017	2016
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	**4,169**	3,428
Social security costs	**350**	322
Other pension costs	**46**	19
Retirement costs to former directors	**189**	30
Total remuneration before share option charge	**4,754**	3,799
Share option (credit)/charge	**(4)**	28
Total remuneration	**4,750**	3,827

Details of Directors' emoluments are shown in the Directors' Remuneration Report on pages 15 to 17. This shows the entirety of the staff costs in the parent company. Average number of employees in the parent company is also limited to the number of directors each year, as disclosed on page 16.

Key management personnel compensation

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

	2017	2016
	£'000	£'000
Their aggregate remuneration comprised		
Wages and salaries	**654**	428
Other pension costs	**57**	7
Share option (credit)/charge	**(12)**	9
	699	444

Notes to the Financial Statements

for the year ended 30 April 2017

10. TAXATION

The charge for taxation on the profit for the financial year is as follows:

	2017	2016
	£'000	£'000
Current tax		
UK Corporation tax	**82**	24
Deferred tax		
Reversal of timing differences	**(75)**	(9)
Total taxation for the financial year	**7**	15

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are reconciled as follows

Reconciliation of taxation charge

	2017	2016
	£'000	£'000
Profit on ordinary activities before tax	**462**	758
Tax on profit on ordinary activities at 20% standard rate of tax (2016: 20%)	**92**	152
Non-deductible expenses	**3**	51
Other differences	**(88)**	(188)
Total taxation charge	**7**	15

Deferred tax liability	**2017**	2016
	£'000	£'000
At 1 May 2016	**508**	62
Deferred tax related to intangible assets recognised on acquisitions	**-**	455
Reversal of timing differences	**(46)**	(9)
At 30 April 2017	**462**	508
Comprising:		
Accelerated capital allowances	**75**	62
Other timing differences	**387**	446
	462	508

The Group has not recognised a deferred tax asset of £62,750 (2016: £66,000) in relation to tax losses carried forward.

Notes to the Financial Statements

for the year ended 30 April 2017

11. EARNINGS PER ORDINARY SHARE

	2017	2016
Earnings per share	**0.55p**	1.12p
Underlying earnings per share	**1.04p**	2.20p

The share options issued in the previous year are non-dilutive (2016: non-dilutive).

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

	Earnings £'000	**2017 Weighted average number of shares**	**Earnings per share (pence)**	Earnings £'000	2016 Weighted average number of shares	Earnings per share (pence)
Profit for the year	**458**	**82,614,865**	**0.55**	743	66,238,090	1.12
Separately disclosed items (note 6)	**400**			711		
Underlying profit for the period	**858**		**1.04**	1,454	66,238,090	2.20

Underlying earnings per share

Underlying earnings per share has been presented in addition to basic earnings per share since in the opinion of the directors this provides shareholders with an additional 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

	2017 £'000	2016 £'000
Interim dividend 0.33p paid 1 March 2017 (2016: 0.3p paid 1 March 2016)	**273**	197
Final dividend for 2016 0.7p paid 21 October 2016 (2015: 0.5p paid 30 October 2015)	**578**	298
	851	495

A final dividend of 0.37p (2016: 0.7p) is to be recommended at the forthcoming AGM. The final dividend is subject to approval by shareholders at the Annual General Meeting on 11 October 2017 and has not been included as a liability in these financial statements. If approved at the Annual General Meeting the final dividend will be paid on 31 October 2017 to shareholders on the register at the close of business on 21 September 2017. The total cost of the dividend will be £305,675.

Notes to the Financial Statements

for the year ended 30 April 2017

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS

Parent Company	**2017**	2016
	£'000	£'000
Cost and net book value		
At 1 May 2016	**10,420**	6,707
Additions	**-**	3,685
Waiver of intercompany loan to Group undertakings	**400**	-
Share options (lapsed)/granted to employees in subsidiaries (note 21)	**(4)**	28
At 30 April 2017	**10,816**	10,420

Investments in subsidiary undertakings are recorded at cost, which is the fair value of the consideration paid.

All subsidiaries and the company are wholly owned, incorporated in England and Wales and operate in the United Kingdom.

Company	**Business Activity**	**Holding**	**Registered Office**
Interpack Limited	Importers and distributors of plastic containers	100%	Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP
Coral Products (Mouldings) Limited	Manufacture of plastic products using plastic injection moulding machines	100%	Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP
Tatra Rotalac Limited	Manufacture of plastic mouldings and extrusions	100%	Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP
Rotalac Plastics Limited	Ceased to trade August 2016	100%	Florida Road, Haydock Industrial Estate, Haydock, Merseyside, WA11 9TP
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

14. GOODWILL

Group	**£'000**
At 30 April 2017 and 2016	5,495

Goodwill is considered to have an indefinite life because there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group. Factors taken into consideration in this judgement are the long period over which the businesses acquired have been established and the longevity of the industries in which they Group operates. 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:

	Interpack Limited	**Tatra Rotalac Limited**	**Global One-Pak Limited**	**Other**	**Total**
	£	**£**	**£**	**£**	**£**
Goodwill					
At 30 April 2017 and 2016	3,457	1,311	634	93	**5,495**

14. GOODWILL (continued)

The Group tests goodwill and intangible assets annually for impairment. The recoverable amount of goodwill and intangibles arising on the acquisition of Interpack, Tatra and Global One-Pak in previous years 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 rate. 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 Groups of assets that generate cash flows and represent the lowest level within the Group at which goodwill is monitored for internal management purposes. As at the year end of 30 April 2017, the impairment review has concluded that the value in use of each exceeds the total goodwill and intangible carrying value. In performing this impairment review, the Group has prepared cash flow forecasts derived from the most recent financial budgets approved by the Board, and then estimates revenue growth for the following four years at 2.5% per annum, with overheads also assumed to increase at 2.5% per annum. Thereafter, a growth rate for pre-tax profit of 2% per annum is assumed into perpetuity. A pre-tax rate of 15% has been used to discount the forecast cash flow. The key assumptions are based on past experience for expected changes in future conditions.

The Group has conducted a sensitivity analysis on the impairment test of each CGU and the Group of units carrying value. A decrease in the growth rate of profit to 0% (i.e. the current level of profit being generated remains constant) over the forthcoming four years would not cause the carrying value to be impaired for either Interpack, Tatra or Global One-Pak, nor would a reduction of the growth rate for pre-tax profit into perpetuity to 1%. An increase in the discount rate to 20% (Interpack) and 20% (Tatra) and 18% (Global One-Pak) respectively would create a potential impairment indicator, however such levels are not deemed to be reasonable by management.

15. OTHER INTANGIBLE ASSETS

	Customer relationships £'000	Brands £'000	Licences £'000	Total £'000
Group				
Cost				
At 1 May 2015	698	-	573	1,271
Recognised on acquisition of subsidiary	1,955	322	-	2,277
At 1 May 2016 and 30 April 2017	**2,653**	**322**	**573**	**3,548**
Amortisation				
At 1 May 2015	471	-	554	1,025
Charge in the year	113	5	15	133
At 1 May 2016	584	5	569	1,158
Charge in the year	315	33	4	352
At 30 April 2017	**899**	**38**	**573**	**1,510**
Net book value				
At 30 April 2017	**1,754**	**284**	**-**	**2,038**
At 30 April 2016	2,069	317	4	2,390

Notes to the Financial Statements

for the year ended 30 April 2017

15. OTHER INTANGIBLE ASSETS (continued)

	Licences £'000	Total £'000
Parent Company		
Cost		
At 1 May 2015, 1 May 2016 and 30 April 2017	**403**	**403**
Amortisation		
At 1 May 2015, 1 May 2016 and 30 April 2017	**403**	**403**
Net book value		
At 30 April 2017	**-**	**-**
At 30 April 2016	-	-

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Group					
Cost or Valuation					
At 1 May 2015	1,950	54	11,584	1	13,589
Acquired with subsidiary	-	5	13	3	21
Additions	8	76	1,563	21	1,668
Disposals	-	-	(2,285)	-	(2,285)
At 1 May 2016	1,958	135	10,875	25	12,993
Additions	145	104	1,962	-	2,211
Disposal	-	-	-	(5)	(5)
Revaluation	405	-	-	-	405
At 30 April 2017	**2,508**	**239**	**12,837**	**20**	**15,604**
Depreciation					
At 1 May 2015	70	20	7,942	1	8,033
Charge in the year	31	22	621	4	678
Disposals	-	-	(2,235)	-	(2,235)
At 1 May 2016	101	42	6,328	5	6,476
Charge in the year	-	48	767	6	821
Disposals	-	-	-	(3)	(3)
Revaluation	(101)	-	-	-	(101)
At 30 April 2017	**-**	**90**	**7,095**	**8**	**7,193**
Net book value					
At 30 April 2017	**2,508**	**149**	**5,742**	**12**	**8,411**
At 30 April 2016	1,857	93	4,547	20	6,517

The net book value of plant and equipment includes £2,553,000 (2016: £1,402,000) in respect of assets held under finance leases. Depreciation for the year in respect of these assets was £223,000 (2016: £123,000).

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Revaluation of land and buildings

The Group uses the revaluation model of measurement of land and buildings. The Group engaged Lambert Smith Hampton (LSH), an accredited independent valuer, to determine the fair value of its land and buildings.

Fair value is determined by reference to market-based evidence, LSH has adopted the market comparison approach to valuation with regard to other properties for which price information is available, on active market prices, with adjustments made for any difference in the nature, specification, age, size, location and condition of the specific property. The date of the most recent revaluation was 16 December 2016. The previous revaluation was on 6 November 2012.

Under IRFS13, the valuation of the land and buildings are reported as level 3 on the fair value hierarchy (consistent with prior year). There are no level 1 or level 2 items on the hierarchy, nor any movements between categories.

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2017 **£'000**	2016 £'000
Cost	2,103	1,958
Accumulated depreciation	(143)	(101)
Net carrying amount	1,960	1,857

	Land and buildings **£'000**
Parent Company	
Cost or Valuation	
At 1 May 2015 and 30 April 2016	1,958
Additions	145
Revaluation	405
At 30 April 2017	**2,508**
Depreciation	
At 1 May 2015	70
Charge in the year	31
At 1 May 2016	101
Revaluation	(101)
At 30 April 2017	-
Net book value	
At 30 April 2017	**2,508**
At 30 April 2016	1,857

Notes to the Financial Statements

for the year ended 30 April 2017

17. INVENTORIES

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Raw materials	**1,136**	684	-	-
Work in progress	**242**	35	-	-
Finished goods and goods for resale	**1,505**	1,124	-	-
	2,883	1,843	-	-

The amount of write-down of inventories recognised as an expense is £0.4m (2016: £nil) which is recognised in cost of sales.

The provision for slow moving and obsolete stocks is £0.1m (2016: £nil).

18. TRADE AND OTHER RECEIVABLES

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Current				
Trade receivables	**4,837**	4,738	**-**	5
Less: provision for impairment of trade receivables	**-**	(34)	**-**	-
	4,837	4,704	**-**	5
Amounts owed by subsidiary Company	**-**	-	**1,353**	3,542
Prepayments and accrued income	**692**	575	**54**	17
	5,529	5,279	**1,407**	3,564

The fair value of trade and other receivables approximates to book value at 30 April 2017 and 2016.

The Group is exposed to credit risk with respect to trade receivables due from its customers. The Group currently has around 930 customers predominantly in the manufacturing and retail sectors. The directors consider that no credit note provision is required and provision for impairment to be £nil (2016: £34,000).

The ageing analysis of these receivables is as follows:

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Current	**2,202**	2,082	**-**	5
Overdue less than 1 month	**1,760**	1,768	-	-
Overdue 1-2 months	**521**	607	-	-
Overdue more than 2 months	**354**	281	-	-
	4,837	4,738	**-**	5

18. TRADE AND OTHER RECEIVABLES (continued)

The Group takes a prudent view in assessing the risk of non-payment and considers provision for all debts more than 3 months in arrears unless there are specific circumstances to indicate that there is little or no risk of non-payment of these older debts.

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

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Sterling	**4,720**	4,704	**-**	5
Euros	**117**	34	**-**	-
	4,837	4,738	-	5

Movements on the Group's provision for impairment of trade receivables are as follows:

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
At beginning of year	**34**	1	**-**	-
Provided during the year	**-**	33	**-**	-
Utilised during the year	**(34)**	-	**-**	-
At end of year	**-**	34	-	-

The movement on the provision for impaired receivables has been included in administrative expenses in the income statement. Other classes of financial assets included within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable set out above. The Group did not hold any significant interest swaps or forward foreign exchange contracts at the year end.

19. TRADE AND OTHER PAYABLES

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Trade payables	**3,336**	2,368	**-**	-
Other taxes and social security	**585**	650	**-**	-
Corporation tax payable	**81**	140	**-**	-
Accruals and deferred income	**454**	440	**102**	105
Other payables	**31**	456	**-**	-
	4,487	4,054	**102**	105

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

The average credit period taken for trade purchases is 59 days (2016: 49 days).

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

Notes to the Financial Statements

for the year ended 30 April 2017

20. FINANCIAL LIABILITIES

The maturity profile of the financial liabilities as at 30 April 2017 is set out below:

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Borrowings				
Current				
Invoice discounting facility	**2,844**	1,403	**-**	-
Finance lease liabilities	**609**	304	**-**	-
Term loan	**355**	355	**355**	355
	3,808	2,062	**355**	355
Non-current				
Finance lease liabilities	**1,368**	644	**-**	-
Term loan	**1,107**	1,478	**1,107**	1,478
	2,475	2,122	**1,107**	1,478

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

	2017	2016	
Invoice discounting facility	2.3%	2.3%	over base
Finance leases	5.5%	5.5%	
Term loan	3.0%	3.0%	

The bank loans and overdraft are secured by a fixed and floating charge over the Group's assets. Finance lease liabilities are secured on the assets to which the contracts relate. The invoice discounting facility is secured over trade receivables. The directors estimate that the fair value of the Group's borrowings is the same as the above book values as at 30 April 2017 and as at 30 April 2016.

The maturity profile of the non-current financial liabilities as at 30 April 2017 is set out below:

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
In more than one year but not more than two years				
Finance lease liabilities	**519**	239	**-**	-
Term loan	**355**	355	**355**	355
In more than two years but not more than five years				
Finance lease liabilities	**849**	405	**-**	-
Term loan	**663**	882	**663**	882
In more than five years				
Term loan	**89**	241	**89**	241
	2,475	2,122	**1,107**	1,478

20. FINANCIAL LIABILITIES (continued)

Undrawn borrowing facilities

The Group has a maximum Invoice Discounting Facility of £3.4m, subject to debtor levels and restrictions, together with a £50,000 bank overdraft facility. At the year end the overdraft facility was undrawn.

Finance leases

Future minimum lease payments under finance leases are as follows:

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Not later than one year	**708**	444	-	-
After one year but not more than five years	**1,568**	672	-	-
	2,276	1,116	-	-
Future finance charge on finance lease	**(298)**	(168)		
Present value of finance lease liabilities	**1,978**	948		

The present value of minimum lease payments under finance leases are as follows:

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Not later than one year	**610**	304	**-**	-
After one year but not more than five years	**1,368**	644	**-**	-
	1,978	948	**-**	-

There is no material difference between the maturity analysis presented above and the undiscounted cash flow analysis.

Notes to the Financial Statements

for the year ended 30 April 2017

21. SHARE OPTIONS

On 8 December 2014 share options were granted to 9 employees including 1 director under an EMI Scheme, the "Coral Products plc EMI Share Option Plan". Options were granted over 1,650,000 1p ordinary shares of the Company with an exercise price of 16p per share. The share price at the date of grant was 14.5p per share. The options can be exercised two years after the grant date i.e. 8 December 2016, and there are no exercise conditions other than that for the options to vest, the individual must remain an employee of the Group over the two year vesting period. 2 employees including 1 director with options totalling 600,000 1p ordinary shares have left the Company during the two year vesting period. No further options were granted during the year.

During the year, a director left the company with 500,000 shares, all forfeited. No further options lapsed through the year.

The weighted average fair value of the options granted was £56,100 based on a fair value of 3.4p per share. The assumptions used in the calculation are as follows:

Option pricing model used	Black-Scholes
Expected volatility	30%
Option life	10 years
Risk-free interest rate	1.9%
Expected dividend yield	3.45%

A credit of £4,000 (2016: expense of £28,000) 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 (2016: same). The maximum term on the options is 10 years from the issue date, which remains the weighted average remaining life.

22. SHARE CAPITAL

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Allotted, called up and fully paid				
82,614,865 ordinary shares of 1p each	**826**	826	**826**	826

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

	Group		Parent Company	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Net (decrease)/increase in cash and cash equivalent	**(1,678)**	1,254	**-**	288
Decrease/(increase) in bank loans and other loans	**371**	(284)	**371**	(484)
Increase in finance leases	**(1,029)**	(258)	**-**	-
Movement in net debt for the period	**(2,336)**	712	**371**	(196)
Net debt at beginning of period	**(3,274)**	(3,986)	**(1,833)**	(1,637)
Net debt at end of period	**(5,610)**	(3,274)	**(1,462)**	(1,833)

Notes to the Financial Statements

for the year ended 30 April 2017

24. RELATED PARTY TRANSACTIONS

Group

The Group has a related party relationship with its subsidiaries and with its key management personnel. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation for the Group and are not disclosed in this note.

Key management personnel

Details of the compensation of the key management personnel have been disclosed in note 9, no other transactions were entered into with key management personnel in the year, other than rental costs paid to Paul Freud, director, of £18,105 (2016: £43,450) in respect of business premises part owned by the director.

Parent Company

The amounts due to the Company in respect of its subsidiaries are set out in note 18. The transactions entered into between the Company and its subsidiaries were as follows:

	2017	2016
	£'000	£'000
Rentals received from Group undertakings	**300**	300
Recharge of overheads to Group undertakings	**180**	57

25. POST BALANCE SHEET EVENTS

Although not impacting the year-end balance sheet, we report that following a revaluation of land and buildings, a £1.7m mortgage was finalised and drawn down on 18 May 2017. This mortgage was used to repay two current term loans and also gave rise to £0.3m available cash which was used to fund the installation of the machinery purchased from the liquidators of ICM Ltd. This new mortgage has been taken out over ten years and gives rise to savings of £0.2m in repayments per annum.

26. COMMITMENTS

Operating lease arrangements

At the balance sheet date the Group had total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group		**Parent Company**	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Within one year	**190**	234	**-**	-
Between two and five years	**530**	648	**-**	-
More than five years	**560**	700	**-**	-
	1,280	1,582	**-**	-

The Group leases certain plant and equipment under non-cancellable operating lease agreements.

Notes to the Financial Statements

for the year ended 30 April 2017

27. ULTIMATE CONTROLLING PARTY

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

28. PRIOR YEAR ACQUISITIONS

In June 2015, the Group completed the purchase of certain injection moulding, extrusion blow moulding and injection blow moulding plant and machinery from Nieman Packaging Limited for a total consideration of £300,000 and an earn-out consideration of up to £200,000 payable in respect of turnover to existing Nieman customers. £93,000 had been recognised as payable on the earn-out arrangement and included in goodwill additions. The value of this goodwill represented control over the acquired business and the growth opportunities to the Group. Following the failure to meet contractual revenue targets in the defined period post acquisition the £93,000 liability was released this year, in line with IFRS 3 this is taken as a credit to the income statement.

In January 2016, the Group purchased the fixed assets, stock and business from the administrators of Rotalac Plastics Limited which provides bespoke thermoplastic extrusion and moulding solutions across a number of industries worldwide. The total consideration of £160,000 was equal to the fair value of the net assets acquired therefore no goodwill was recognised in respect of this purchase.

In February 2016, the Group purchased 100% of the share capital of Global One-Pak Limited, a specialist on the design, manufacture and supply of lotion pumps and trigger sprayers, for a total consideration of £3,685,000, including £2,935,000 settled immediately in cash, £100,000 deferred consideration settled in cash in May 2016, and the issuance of 3,250,000 ordinary shares at fair value of £650,000. The purchase was accounted for as a business combination. The total fair value of the net assets acquired was £3,051,000, including customer relationships (fair value at acquisition of £1,955,000) and a trade name (fair value at acquisition of £322,000). The goodwill recognised of £634,000 included control over the acquired business, the skills and experience of the assembled workforce, and the scale and future growth opportunities that this provides the Group's operations.

Five Year Record (unaudited)

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Turnover	**21,432**	18,714	17,425	17,222	17,279
Profit					
Operating profit	**1,056**	1,649	1,349	664	496
Net interest payable	**(228)**	(180)	(184)	(158)	(146)
Underlying profit before taxation	**844**	1,469	1,165	506	350
Separately disclosed items	**(400)**	(711)	(974)	(1,428)	(137)
Taxation	**(7)**	(15)	-	-	77
Profit after taxation	**458**	743	191	(922)	290
Interest cover (times)	**4.8**	9.2	7.3	4.2	3.4
Underlying earnings per share (pence)	**1.04**	2.20	2.12	1.21	1.08
Dividend per share (pence)	**1.0**	0.8	0.7	0.5	0.5
Assets employed					
Fixed assets	**15,944**	14,402	10,570	8,743	10,070
Other net (liabilities)/assets	**(2,147)**	(714)	(1,449)	(1,476)	(1,671)
	13,797	13,688	9,121	7,267	8,399
Financed by					
Share capital	**826**	826	579	419	419
Reserves	**12,971**	12,862	8,542	6,848	7,980
Shareholder's funds	**13,797**	13,688	9,121	7,267	8,399
Gearing (%)	**41**	24	44	55	47
Net assets per share (pence)	**17**	17	16	17	20

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Coral Products plc (the Company) will be held in Leverhulme Room One at Haydock Race Track, Newton-le-Willows, Merseyside, WA12 0HQ, on Wednesday 11 October 2017, 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 2017, together with the Reports of the Directors and Auditors.
2. To re-elect Joe Grimmond, who retires by rotation as a Director of the Company.
3. To re-elect David Low, who retires by rotation as a Director of the Company.
4. To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that the Directors be authorised to fix their remuneration.
5. To declare a final dividend of 0.37p per ordinary share in respect of the year ended 30 April 2017, such dividend to be paid on 31 October 2017 to the holders of ordinary shares on the register at the close of business on 21 September 2017.
6. To approve the Board Report on Directors' Remuneration for the year ended 30 April 2017.
7. That the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £550,765, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's annual general meeting in 2018, 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 £275,382;
   - 8.2 be subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
   - 8.3 expire at the end of the Company's annual general meeting in 2018 (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.

Notice of the Annual General Meeting

continued

Special business

Special resolution

9. That the Company be generally and unconditionally authorised for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of ordinary shares of 1 pence each in the Company in such manner and upon such terms as the Directors may from time to time determine, provided that:
   (a) the maximum number of ordinary shares which may be purchased is 12,392,230;
   (b) the minimum price which may be paid for an ordinary share is 1 pence (being the nominal value of the ordinary share) exclusive of expenses;
   (c) the maximum price which may be paid for an ordinary share exclusive of expenses is equal to the higher of (i) 105 per cent of the average of the middle market quotations for an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid (in each case, in relation to (a) and (b), for any number of the Company's ordinary shares on the trading venue where the purchase is carried out); and
   (d) the authority to purchase hereby conferred shall expire at the end of the next annual general meeting in 2018, 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 Gramauskas
Company Secretary

13 September 2017

Registered Office
North Florida Road
Haydock Industrial Estate
Haydock
Merseyside WA11 9TP

Notice of the Annual General Meeting

continued

Notes

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

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

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

4. In order to be valid an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) in hard copy form by post, by courier or by hand to the office of the Company at North Florida Road, Haydock Industrial Estate, Haydock, Merseyside WA11 9TP, and must be received by the Company at least 48 hours prior to the meeting.

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

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

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

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

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

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

11. As at 13 September 2017 (being the last Business Day prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consists of 82,614,865 ordinary shares of 1p each with voting rights. Therefore, the number of total voting rights in the Company is 82,614,865.

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

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

Financial Calendar

Annual General Meeting	**11 October 2017**
Payment of Final Dividend	**31 October 2017**
Provisional - Interim results	**December 2017**

Shareholder Information

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

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

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