CORAL

PRODUCTS PLC

ANNUAL REPORT AND ACCOUNTS 2015

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Financial Highlights

	2015	2014
Revenue	**£17.4m**	£17.2m
Underlying earnings before interest, tax and depreciation (EBITDA)	**£1.9m**	£1.4m
Underlying operating profit	**£1.3m**	£0.7m
Undelying profit before taxation	**£1.2m**	£0.5m
Underlying earnings per share	**2.1p**	1.2p
Net assets per ordinary share	**15.8p**	17.3p
Gearing	**43.7%**	54.6%

Business Overview

Who we are

Coral Products is a manufacturer of plastic injection moulded products and a reseller and distributor of a range of food packaging products. The Group has operations in the UK with manufacturing facilities in Haydock, Merseyside, and in Halifax, West Yorkshire, and a distribution facility in Dunstable, Luton. The Group presently employs 138 people.

The Group develops and manufactures a range of high quality products for a wide variety of customers, associated with a number of different industries including food catering, waste disposal, on-line retail distribution, telecommunications and rail infrastructure. It enjoys strong positions in the markets and geographical areas in which it operates. In addition, via an acquisition in the year, the Group now offers trade moulding, extrusion and blow moulding services whereby it manufactures high quality products for leading UK companies.

By developing innovative packaging and other 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.

What we do

Injection moulding, extrusion and blow moulding are processes used on plastics and PVC to produce products requiring fairly complex design, strength and durability. The products range in size and the process employed produces different product characteristics for specific applications required by the differing markets.

For our trade moulding partners we offer experienced employees who can deliver solutions to customer requirements. Our combined manufacturing facility has 40 moulding machines covering most size requirements and works throughout the week giving more attainable volume needs.

Our markets are being chosen because they offer a wide range of plastic products and end use capabilities. The compound annual growth rate for global rigid plastic packaging alone is forecast to increase by around 5% over the next five years.

Overview

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 its stock market float in 1995 and funds raised were invested into media case production facilities.

In recent years media packaging has been in rapid decline and, in reaction to this, the Company established and followed a strategic plan to diversify its product portfolio and introduce a range of solutions for domestic waste collection and food containers. At the same time the Company built a good reputation as a trade moulder working with its customers for solutions and offering a 24 hour 7 days a week production service.

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.

Business Overview

continued

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.

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. We recognise also the efficiencies and effectiveness that results from new machinery in reducing our carbon footprint and power absorption.

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

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

Strategic Plans

The Company adopted a three year strategic plan in 2011 designed to reduce its reliance on media packaging, the primary product line, by increasing sales in new business areas. The targets of the plan were met within the three year period and the strategy is now to further increase organic sales whilst looking to acquire existing complementary businesses in the plastic packaging sector. In line with this strategy the acquisition of Interpack Limited in September 2011 played a fundamental part and resulted in sales channels into complementary product areas with greater utilisation of the manufacturing site. The acquisition of Tatra Plastics Manufacturing Limited ('Tatra') in July 2014 was the final step in this strategy. Tatra is one of the UK's longest established specialists in PVC and plastic injection moulding and extrusion. Based near Halifax, West Yorkshire, Tatra is an approved supplier to, and holds current contracts with, major corporations in the telecommunications and rail industries and has, for the last 5 years, been developing and manufacturing products for the fibre optic market.

In March 2015 the Company adopted a new five year plan aimed at substantially increasing Group revenue and profitability from our specialist plastic products manufacturing and distribution activities. Following this, in July 2015, the Company took the initial step along this plan when it acquired certain injection moulding, extrusion blow moulding and injection blow moulding plant and machinery from Neiman Packaging Limited. These assets had been used to manufacture a range of packaging products for customers principally in the health, hygiene and personal care markets and will result in a significant increase in utilisation of the Haydock facility.

Business Model

We look to create and grow markets for rigid plastic containers through technical innovation and design creation. 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

I am pleased to report a further year of progress for the Group with revenue up by 1.2% to £17,425,000 and underlying profit (profit before separately disclosed items) up by 130.2% to £1,165,000. This profit growth reflects the success of our core strategy of replacing sales of media based assets with sales of other plastic moulded products whilst maintaining control of our costs. I am also pleased to report an underlying basic earnings per share to 2.12p (75% growth in the year).

The acquisition of Tatra Plastics Manufacturing Limited ("Tatra"), completed on 8 July 2014, has given the Group additional products with better added values. This business has been integrated successfully and offers a more diverse range of products to be promoted and manufacturing methods that can be applied.

In the core business, the supply of new products for on-line retail distribution, which had been expected during the year, was unfortunately delayed whilst purpose built depots were completed by our customer. Initial orders worth £2 million have now been committed and production has now commenced. The agreement we hold with a large retail distribution company to manufacture new containers has already led to two substantial purchase orders, announced in June 2015, and is expected to lead to additional supply agreements as further opportunities arise.

Food packaging sales continue to increase sales and contribution and recently we have further added to its range of products by the installation of additional tooling in-house. The market for plastic food containers continues to grow in the UK.

Recycling product sales were below expectations with revenue falling to £1.2 million (2014: £1.8 million). There remained challenging market conditions as local authorities continued not to commit resources in the present atmosphere of austerity. Waste management will continue to be a significant area of future spending and we are determined to offer products and partnerships that will assist in its management.

Cash has been actively managed by the Group in a year when our key material costs increased in price and a trade debtor fell into administration. Given raw material price increases, we have focused on driving material reductions in our inventory across the Group as a whole. This has enabled the Group to report a net cash inflow of £452,000 (2014: £60,000).

Operational Review

Operationally, the Group has delivered a good performance during the year in responding to some challenging conditions in difficult markets. Group sales, as reported, show only a slight increase but, behind that, there was a 32% rise in internal manufactured sales as the Haydock facility increased its production of food containers and some of the moulding requirements of Tatra.

This development resulted in reduced supply and capacity constraints enabling the Group to meet additional demand for food containers. These improved external sales enabled the Group to mitigate the fall in media packaging turnover from £6.5 million to £2.9 million due to the influence on demand brought about by the demise of high street retailers and the continuing movement to downloading and streaming of media.

The new product lines for food containers which were introduced at the end of the previous year came into full operation and, as a result, turnover of food containers increased from £6.1 million to £7.0 million. Further tools have been ordered for the forthcoming year which will both increase the supply of lines where presently we cannot meet demand and extend further the range of containers made in-house. Sales have been steadily increasing in 2015 and there are signs of another improved year to come.

Trade moulding sales increased to £6.3 million from £2.8 million in 2014 due again to both customers increasing demand for our services and the influx of additional business partners. This year we have the added benefit of new contracts for volume production of specially designed crates for use in on-line delivery centres. The first two purchase orders total £2.1 million and are part of a ten year supply agreement that was signed in June 2014. Deliveries of the crates are scheduled to commence in August 2015.

The Group's recycling division continued to be affected by local authority spending cuts and also the competitive nature of this market with companies vying for the business. The reduced number of large scale contracts in the marketplace maintained the tendency to reduce pricing with the negative effect on margins. This led to reduced turnover of £1.2 million from £1.8 million in the previous year. This year has started much the same but there are signs of improved contracts and market developments that should see additional future growth.

Overall the sales mix was of better added value products which resulted in improved gross margins despite the affects from polymer prices maintaining record levels during the year. Whilst we look to pass on raw material price variations to our major customers and have a built-in pricing factor for this, there is a time lag and certain customer resistance which impacts results. Continued weakness in the Euro also affected overseas demand and resulted in most of our energies being devoted, for the time being at least, to local markets.

In December 2014 our largest media packaging customer went into administration, owing us £336,000 prior to anything we receive from the administrators. Whilst this was a jolt to our improved trading and success in new markets we had worked for some months on limiting our exposure to this customer and would have managed the debtor further if, as we had expected, the Company had traded through the Christmas period. These debts are not taken lightly and we have taken policy steps to ensure that we limit our exposure to individual debtors of approximately £725,000.

Results

Group revenue increased slightly in the year at £17,425,000 (2014: £17,222,000). Margins increased substantially to 29.6% (2014: 23.7%) due to a more favourable mix of sales from better added value products. The Group makes use of a series of underlying results to monitor trading performance, by adding back costs that the directors consider not specifically related to trading performance. All such costs are separately disclosed in the income statement on page 21.

- Underlying EBITDA (earnings before interest, tax, depreciation and amortisation and before separately disclosed items) for the Group was strong at £1,912,000 (2014: £1,395,000).
- Overheads in the Group increased to £3,808,000 (2014: £3,423,000) in line with the increase in Group activity. This resulted in an underlying operating profit of £1,349,000 (2014: £664,000).
- Finance costs amounted to £184,000 (2014: £158,000).
- The profit for the financial year before taxation was £191,000 (2014: loss of £922,000).
- Underlying earnings per share were 2.12 pence (2014: 1.21 pence) and the basic and diluted earnings per share were 0.35 pence (2014: loss of 2.20 pence).
- Net debt at 30 April 2015 was £3,986,000 (2014: £3,968,000) giving reduced gearing (being net debt divided by net assets) of 43.7% (2014: 54.6%).
- Interest cover on underlying operating profit was 7.3 times (2014: 4.2 times).
- Net assets per share were 15.8p (2014: 17.3p).

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.

Having considered the results for the year, the outlook for the new financial year and the ongoing requirements of the business, the board has recommended the total dividend be increased to 0.7 pence per share. The final payment of 0.5 pence per share will have an ex-dividend date of Thursday, 6 August 2015 and record date Friday, 7 August 2015. This final dividend will be paid on 30 October 2015.

Board Changes

In July 2014, following the acquisition of the Tatra business, Paul Freud was appointed as Corporate Development Director. David Low also joined the board in September 2014 as a Non-Executive Director, broadening the range of skills and experience within the board. In November 2014 Jonathan Lever retired from his position as Non-Executive Director having served the Group for 20 years.

Chairman's Statement

continued

In December 2014 both Warren Ferster and Stuart Ferster retired as directors of the Company to pursue other business interests. Warren and Stuart served the Group for a substantial number of years and helped in the transition from a private company in the 1990's, through flotation, to the plc of today. At the same time Joe Grimmond became Executive Chairman having previously acted as Non-Executive Chairman.

The board presently comprises only one Non-Executive Director and the Chairman has temporarily taken on the role of Chief Executive. In due course the board will address the requirement of a Chief Executive but presently the Board regards this as a phase of the Company's development and is taking a considered and measured approach before it introduces changes in its structure.

Strategy

Our board continuously reviews business performance alongside market conditions to make sure that we take the correct strategic decisions for our business. The board recognises fully that it has been tasked with delivering enhanced shareholder value in accordance with the strategic plans that we outlined in 2011 and 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 Tatra Plastics Manufacturing Limited was completed in July 2014. Tatra is one of the UK's longest established specialists in PVC and plastic injection moulding and extrusion. Based near Halifax, West Yorkshire, Tatra is an approved supplier to, and holds current contracts with, major corporations in the telecommunications and rail industries and has, for the last 5 years, been developing and manufacturing products for the fibre optic market. The acquisition has provided the Group with an entry into, inter alia, the rail and telecoms markets and the ability to expand its range of products.

In June 2015 certain injection moulding, extrusion blow moulding and injection blow moulding plant and machinery was acquired from Neiman Packaging Limited to manufacture a range of packaging products principally in the health, hygiene and personal care markets. This machinery is in the process of being integrated into our Haydock manufacturing facility.

People

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

Outlook

The Group's strategic progress is encouraging, with its increased focus on value-added and innovative products, particularly in the food container, telecommunications and rail industry markets.

We adopted a new five year plan this year which has targets aimed at substantially increasing Group revenue and profitability from our specialist plastic products manufacturing and distribution activities. In June 2015 we took our first step along this plan when we acquired certain plant and machinery from Neiman Packaging Limited. This acquisition introduces two new manufacturing processes, injection blow moulding and extrusion blow moulding, enhancing our range of manufacturing capability.

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

Joe Grimmond
Chairman
3 August 2015

Strategic Report

Review of the Business

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

An overview of the Group's strategy and business model is set out on pages 2 to 3, and together with the Chairman's Statement on pages 4 to 6 form part of this 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.

The Board then approved a new Group Strategic five year plan in March 2014 and this will underpin the strategy outlined on pages 2 to 3, and give the Group a clear focus on delivering long-term and consistent growth in profitability by developing those customers and products which can bring Coral Products long term sustainable growth. In July 2014 the Group completed the acquisition of Tatra Plastics Manufacturing Limited which specialises in PVC and plastic moulding by injection or extrusion. The Board regarded this as further development of its strategy and commitment to grow the business.

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 2015 were £203,000 higher at £17,425,000 (2014: £17,222,000). Of this, food container sales increased to £7.0 million (2014: £6.1 million) trade moulding sales also improved to £6.3 million (2014: £2.8 million) whilst media sales fell to £2.9 million (2014: £6.5 million) and recycling container sales decreased to £1.2 million (2014: £1.8 million).

The movements were largely the result of the Group's continued and successful policy of restructuring its sales from media packaging into other products whose markets offered significant growth potential.

Gross margins increased to 29.6% (2014: 23.7%) resulting in a gross profit of £5,157,000 (2014: £4,087,000). Underlying operating profit increased by 103.2% to £1,349,000 (2014: £664,000) due to the improved margins. Underlying EBITDA increased to £1,912,000 (2014: £1,395,000). Net financing costs were higher at £184,000 (2014: £158,000) due to additional financing. The separately disclosed administrative expenses contained costs of £336,000 relating to a bad debt, £414,000 for the retirement costs due to the former directors, £106,000 for the acquisition costs relating to the purchase of Tatra, £106,000 for the amortisation of the customer lists of Tatra and Interpack (restated in 2014 to £137,000), with a further £12,000 for the costs of share based payments. The previous year included a write-down of media assets of £1,291,000. Profit before tax and after the separately disclosed items was £191,000 (2014: loss of £922,000).

The total dividend for the year has been increased by 40% to 0.7p resulting in dividend cover on underlying earnings of 2.9 times earnings for the year (2014: 2.4 times). Basic and diluted underlying earnings per share for the year increased by 75% to 2.12 pence (2014: 1.21 pence).

Balance Sheet

Group shareholders' funds increased by £1,854,000 to £9,121,000 (2014: £7,267,000), with net assets per share decreasing to 15.8 pence (2014: 17.3 pence).

Cash Flow

Operating cash flows before movements in working capital were £1,023,000 (2014: £1,260,000). The Group's net debt remained comparative at £3,986,000 (2014: £3,968,000) with the level of gearing falling from 54.6% to 43.7%. The Group has a mix of secured borrowing facilities totalling £2,504,000 in addition to £1,349,000 of term loan and £200,000 of an unsecured director's loan. The term loan is repayable over 10 years with £203,000 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 2016.

Borrowing facilities are monitored against the Company's forecast requirements and the Company 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, but only as part of the Group's overall hedging activity.

The Group can be affected by movements in exchange rates due to raw material prices being established in foreign currencies and on its export sales. The Group is affected by movements between Sterling and Euro 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:

	2015	2014
Group revenue	**£17,425,000**	£17,222,000
Gross margin	**29.6%**	23.7%
Growth in underlying profit before tax	**£659,000**	£79,000
Growth in underlying earnings per share	**0.91p**	0.13p
Underlying EBITDA	**£1,912,000**	£1,395,000
Gearing	**43.7%**	54.6%

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 has provided in the notes to the accounts details of various risks and uncertainties it faces, which include:

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

Strategic Report

continued

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 10% of the Group workforce as at 30 April 2015.

Position	Male	Female	Total
Group Directors	4	-	4
Senior Managers	11	4	15
Other Employees	99	9	108
Total Employees	104	13	127

Social, Community and Human Rights

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

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

Going concern

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 bases in preparing the financial statements.

This strategic report was approved by the board on 3 August 2015.

Stephen Fletcher

Finance Director

Directors and Advisers

Non-executive Directors

David Low, *Non-executive*
David was appointed on 4 September 2014. He has over 25 years of experience in investment management and management consultancy. He was a director of Manroy plc until July 2014 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 2014, become Executive Chairman. Mr Grimmond is a Fellow of the Association of Accounting Technicians.

Stephen Fletcher MA, FCA, *Finance Director and Company Secretary*
Stephen is a Chartered Accountant and responsible for all aspects of the finance function, together with the Company's IT systems, and has certain purchasing responsibilities. He joined the Company in September 2002 after holding a similar position with Worthington Group plc. He was also appointed Company Secretary in October 2006.

Paul Freud, *Corporate Development Director*
Paul was appointed on 9 July 2014. 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 2015.

Results and Dividends

The results for the year are set out on page 21. This shows a Group profit after taxation of £191,000 (2014: loss of £922,000).

A dividend of 0.5p per share in respect of the year ended 30 April 2014 was paid on 17 October 2014. The amount of this dividend was £289,308.

An interim dividend of 0.2p (2014: nil) amounting to £115,722 was paid on 30 April 2015.

A final dividend of 0.5p (2014: 0.5p) per share is recommended in respect of the year ended 30 April 2015 to be paid on 30 October 2015 to shareholders on the register at the close of business on 7 August 2015. 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 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:

Jonathan Lever resigned as Non-Executive Director on 26 November 2014
Warren Ferster resigned as Managing Director and Chief Executive on 26 November 2014
Stuart Ferster resigned as Production Director on 26 November 2014
David Low appointed as Non-Executive Director on 4 September 2014
Paul Freud appointed as Corporate Development Director on 9 July 2014

In accordance with the Articles of Association, Paul Freud 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 30th April 2015 Number	Ordinary shares of 1p each 30th April 2014 Number
Joe Grimmond	**5,173,337**	5,033,337
Paul Freud	**1,833,333**	-
David Low	**805,000**	-
Stephen Fletcher	**72,000**	72,000
	7,883,670	5,105,337

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 14 July 2015, the Company had been made aware of the following interests of over 3% (other than the holdings of directors listed above) in the ordinary shares of the Company:

	Number of shares	% of share capital
JIM Nominees Ltd	4,500,000	7.5
Discretionary Unit Fund Managers Ltd	4,480,000	7.5
Mr Thomas Anderson	4,321,500	7.2
MAM Funds plc	3,800,000	6.4
Stuart Ferster	3,398,367	5.7
Warren Ferster	3,143,181	5.3
Stephen Barber	2,000,000	3.4
Michael Burke	2,000,000	3.4
Stuart Trailor	2,000,000	3.4
Paul Freud	1,833,333	3.1

Share Capital

At the 2014 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 has direct access to the non-executive directors for independent decisions. The Audit Committee may examine any matters relating to the financial affairs and risk issues affecting the Group which includes reviewing the accounts, announcements, internal controls, accounting policies, and appointment of the external auditor.

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 47 days (2014: 67 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.

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

Hurst & Company Accountants LLP resigned as auditor during the year and BDO LLP were appointed. 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.

Directors' Report

continued

Post Balance Sheet Events

On 24 June 2015, the Group completed the purchase of certain injection moulding, extrusion blow moulding and injection blow moulding plant and machinery from Neiman Packaging Limited for a total consideration of £300,000 and an earn-out consideration of up to £200,000. These assets will be used to manufacture a range of packaging products principally in the health, hygiene and personal care markets.

The acquisition and the associated working capital facility were funded by a combination of existing bank facilities and funds raised via a subscription for 1,750,000 new ordinary shares at a price of 13.5 pence each raising gross proceeds of £236,250.

Annual General Meeting

The AGM will be held on Wednesday, 26 August 2015 at the Haydock Thistle Hotel, Haydock, Merseyside, WA11 9SG. The Notice of Meeting is contained on pages 51 to 53 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 G Fletcher
Company Secretary
3 August 2015

Directors' Remuneration Report

Introduction

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

Unaudited information

Remuneration Committee

The Group has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee until December 2014 were Jonathan Lever and Joe Grimmond who were both non-executive directors and Warren Ferster who was the Managing Director. The remuneration committee now comprises Joe Grimmond (chairman) and David Low.

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

Remuneration Policy

Executive remuneration packages are designed to attract, motivate and retain directors of the high caliber 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 2014.

The Group has a policy of allowing contracts of service to be no more than one year in duration. 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.

Share Options

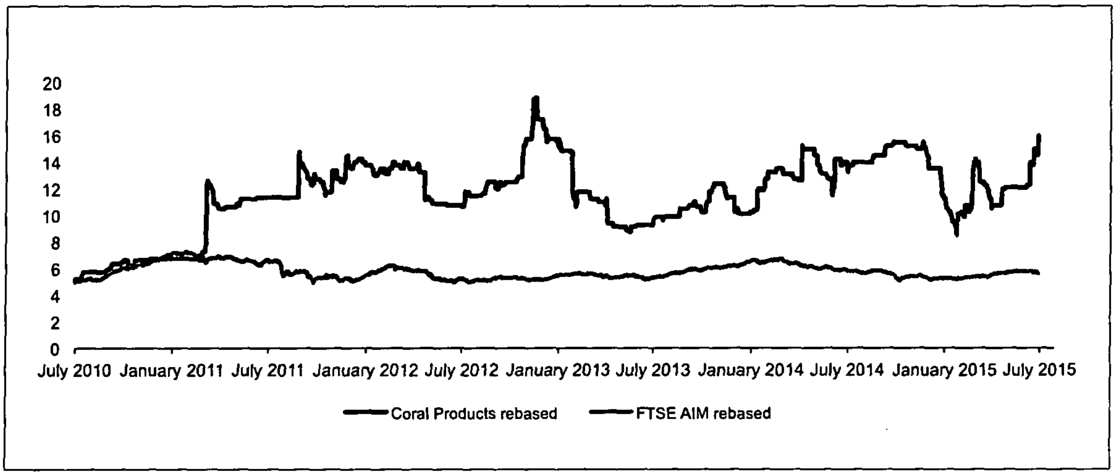
The Company adopted an Enterprise Management Incentives share option scheme in December 2014. It issued 1,650,000 options to subscribe for new ordinary shares in the Company at an exercise price of 16p per share. These options will be exercisable at any time between the second and the tenth anniversary of the issue date.

Directors' Remuneration Report

continued

Performance Graph

The graph below compares the Group's total shareholder return performance with the AIM All Share Index for each of the 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 one year's notice The details of the executive directors' contracts are summarised as follows:

	Date of contract	Notice period
Stephen Fletcher	September 2002	6 months
Paul Freud	July 2015	3 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 £25,000.

Audited information

Directors' Remuneration

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

	2015 Executive £'000	2015 Non-executive £'000	2015 Total £'000	2014 Total £'000
Emoluments	359	32	391	415
Pension contributions - defined contribution scheme	19	-	19	27
Compensation for loss of office	370	-	370	-
Share based payment	4	-	4	
	752	32	784	442

Directors' Remuneration Report

continued

Emoluments – Executive Directors

	2015 Basic salary £'000	2015 Benefits-in-kind £'000	2015 Pension £'000	2015 Loss of office £000	2015 Share based payment £000	2015 Total £'000	2014 Total £'000
Warren Ferster	**73**	**8**	**6**	**185**	**-**	**272**	140
Stuart Ferster	**73**	**6**	**6**	**185**	**-**	**270**	139
Stephen Fletcher	**92**	**3**	**7**	**-**	**4**	**106**	98
Paul Freud	**81**	**6**	**-**	**-**	**-**	**87**	-
Joe Grimmond	**17**	**-**	**-**	**-**	**-**	**17**	-
	336	**23**	**19**	**370**	**4**	**752**	377

On 8 December 2014 share options were granted to Stephen Fletcher under an EMI Scheme, the "Coral Products plc EMI Share Option Plan". Options were granted over 500,000 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. Mr Fletcher currently holds 72,000 ordinary shares in the Company. His maximum beneficial interest is therefore 572,000 ordinary shares, representing 0.98% of the so enlarged issued share capital. No other director has been issued with any options. (Further details of the share options granted can be found in note 21 to the financial statements.)

The payments for compensation for loss of office to both Warren Ferster and Stuart Ferster includes on-going elements which the Group is contractually obligated to continue to pay. The table above reflects a £60,000 payment in the year for compensation for loss of office, as well as continued payments for loss of office spread over 12 months totaling £270,000 and £20,000 of payments spread over 12 months for pension contributions. Additional costs incurred are £24,000 medical contributions, £2,000 legal fees and £38,000 national insurance. The total of the retirement costs, which are equally divisible between the two former directors, of £414,000, are disclosed in the Income Statement on page 21. The ongoing payment elements of the loss of office agreement commenced 31 January 2015. All amounts not paid at 30 April 2015 have been accrued in the financial statements.

Emoluments – Non-executive Directors

	2015 £'000	2014 £'000
David Low	**17**	-
Joe Grimmond	**-**	50
Jonathan Lever	**15**	15
	32	65

By order of the Board

Joe Grimmond
Chairman of the Remuneration Committee
3 August 2015

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 2015 which comprise the Group income statement, the Group statement of comprehensive income, the Group and Parent Company balance sheet, 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:

1) 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 2015 and of the Group's profit for the year then ended;
2) the Group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union; and
3) 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
4) 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:

1) the part of the Directors Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
2) 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.

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

continued

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 require 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.

BDO LLP

Donald Bancroft (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom
3 August 2015

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 2015

	Note	2015 £'000	Restated (note 2) 2014 £'000
Continuing operations			
Revenue	5	**17,425**	17,222
Cost of sales		**(12,268)**	(13,135)
Gross profit		**5,157**	4,087
Operating costs			
Distribution expenses		**(716)**	(546)
Administrative expenses before separately disclosed items		**(3,092)**	(2,877)
Share based payment charge	6	**(12)**	-
Amortisation of intangible assets (customer relationships)	6	**(106)**	(137)
Acquisition costs	6	**(106)**	-
Impairment loss recognised on tangible assets, intangible assets and inventory	6	**-**	(1,291)
Retirement costs of former directors	6	**(414)**	-
Impairment loss recognised on trade receivables	6	**(336)**	-
Administrative expenses		**(4,066)**	(4,305)
Operating profit/(loss)	7	**375**	(764)
Finance costs	8	**(184)**	(158)
Profit/(loss) for the financial year before taxation		**191**	(922)
Taxation	10	**-**	-
Profit/(loss) for the financial year attributable to the equity holders		**191**	(922)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per ordinary share	11	**0.35p**	(2.20)p

Group Statement of Comprehensive Income

for the year ended 30 April 2015

	2015 £'000	Restated (note 2) 2014 £'000
Profit/(loss) for the financial year	**191**	(922)
Total comprehensive income for the year attributable to equity holders	**191**	(922)

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

Balance Sheets

as at 30 April 2015

Company reference: **02429784**

	Note	Group			Parent company	
		As at 30 April 2015 £'000	Restated (note 2) As at 30 April 2014 £'000	Restated (note 2) As at 1 May 2013 £'000	2015 £'000	2014 £'000
ASSETS						
Non-current assets						
Goodwill	14	**4,768**	3,457	3,457	**-**	-
Other intangible assets	15	**246**	88	327	**-**	-
Property, plant and equipment	16	**5,556**	5,198	6,286	**1,880**	1,910
Investments in subsidiaries	13	**-**	-	-	**6,707**	4,195
Total non-current assets		**10,570**	8,743	10,070	**8,587**	6,105
Current assets						
Inventories	17	**1,404**	1,725	1,377	**-**	-
Trade and other receivables	18	**3,854**	4,233	3,874	**3,329**	4,439
Cash and cash equivalents		**67**	-	107	**-**	-
Total current assets		**5,325**	5,958	5,358	**3,329**	4,439
LIABILITIES						
Current liabilities						
Borrowings	20	**2,349**	2,502	2,564	**491**	591
Trade and other payables	19	**2,659**	3,434	3,047	**25**	-
Total current liabilities		**5,008**	5,936	5,611	**516**	591
Net current assets/(liabilities)		**317**	22	(253)	**2,813**	3,848
Non-current liabilities						
Borrowings	20	**1,704**	1,466	1,386	**1,146**	1,035
Deferred tax	10	**62**	32	32	**-**	-
Total non-current liabilities		**1,766**	1,498	1,418	**1,146**	1,035
NET ASSETS		**9,121**	7,267	8,399	**10,254**	8,918
SHAREHOLDERS' EQUITY						
Share capital	22	**579**	419	419	**579**	419
Share premium		**1,862**	409	409	**1,862**	409
Other reserves		**443**	-	-	**443**	-
Retained earnings		**6,237**	6,439	7,571	**7,370**	8,090
TOTAL SHAREHOLDERS' EQUITY		**9,121**	7,267	8,399	**10,254**	8,918

The financial statements on pages 21 to 49 were approved by the Board of Directors on 3 August 2015 and were signed on its behalf by:

Joe Grimmond } Directors

Stephen Fletcher

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 2015

	Note	Called Up Share Capital £'000	Share Premium Reserve £'000	Other Reserves £'000	Retained Earnings £'000	Total Equity £'000
Group						
At 1 May 2013 (as previously reported)		419	409	-	7,799	8,627
Prior year adjustment	2	-	-	-	(228)	(228)
At 1 May 2013 (as restated)		**419**	**409**	**-**	**7,571**	**8,399**
Loss for the year		-	-	-	(922)	(922)
Total comprehensive income		-	-	-	(922)	(922)
Dividend paid	12	-	-	-	(210)	(210)
At 1 May 2014		**419**	**409**	**-**	**6,439**	**7,267**
Profit for the year		-	-	-	191	191
Total comprehensive income		-	-	-	191	191
Issue of share capital	22	160	1,453	443	-	2,056
Credit to equity for equity settled share based payments	21	-	-	-	12	12
Dividend paid	12	-	-	-	(405)	(405)
At 30 April 2015		**579**	**1,862**	**443**	**6,237**	**9,121**

	Note	Called Up Share Capital £'000	Share Premium Reserve £'000	Other Reserves £'000	Retained Earnings £'000	Total Equity £'000
Parent Company						
At 1 May 2013		419	409	-	7,698	8,526
Profit for the year		-	-	-	202	202
Total comprehensive income		-	-	-	202	202
Dividend paid	12	-	-	-	(210)	(210)
Dividend from subsidiary company		-	-	-	400	400
At 1 May 2014		**419**	**409**	**-**	**8,090**	**8,918**
Loss for the year		-	-	-	(327)	(327)
Total comprehensive income		-	-	-	(327)	(327)
Issue of share capital	22	160	1,453	443	-	2,056
Credit to equity for equity settled share based payments	21	-	-	-	12	12
Dividend paid	12	-	-	-	(405)	(405)
At 30 April 2015		**579**	**1,862**	**443**	**7,370**	**10,254**

Cash Flow Statements

for the year ended 30 April 2015

		Group		Parent company	
	Note	2015 £'000	Restated (note 2) 2014 £'000	2015 £'000	2014 £'000
Cash flows from operating activities					
Profit/(loss) for the year		**191**	(922)	**(327)**	202
Adjustments for:					
Depreciation of property, plant and equipment	16	**533**	681	**30**	30
Profit on disposal of fixed assets	7	**(33)**	(31)	**-**	-
Amortisation of intangible assets	15	**136**	187	**-**	20
Share based payment charge	21	**12**	-	**-**	-
Impairment charge		**-**	1,187	**-**	61
Interest payable	8	**184**	158	**50**	39
Operating cash flows before movements in working capital		**1,023**	1,260	**(247)**	352
Decrease/(increase) in inventories		**801**	(348)	**-**	-
Decrease/(increase) in trade and other receivables		**1,108**	(359)	**1,110**	274
(Decrease)/increase in trade and other payables		**(1,361)**	385	**25**	(62)
Cash generated by operations		**1,571**	938	**888**	564
UK corporation tax recovered		**-**	109	**-**	-
Net cash generated from operating activities		**1,571**	1,047	**888**	564
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	14	**(1,998)**	-	**(2,049)**	-
Acquisition of property, plant and equipment		**(440)**	(375)	**-**	(1)
Proceeds from disposal of fixed assets		**42**	45	**-**	-
Acquisition of intangible assets		**(7)**	(12)	**-**	-
Net cash used in investing activities		**(2,403)**	(342)	**(2,049)**	(1)
Cash flows from financing activities					
Proceeds of issue of share capital		**1,605**	-	**1,605**	-
New bank loans raised		**500**	-	**500**	-
New director's loan raised		**200**	-	**-**	-
Dividends paid	12	**(405)**	(210)	**(405)**	(210)
New asset finance raised		**237**	-	**-**	-
Interest paid on borrowings		**(184)**	(158)	**(50)**	(39)
Repayments of bank borrowings		**(297)**	(104)	**(297)**	(104)
Repayment of director's loan		**(146)**	(4)	**-**	-
Repayments of obligations under finance lease		**(226)**	(169)	**-**	-
Dividend received from subsidiary		**-**	-	**-**	400
Net cash used in financing activities		**1,284**	(645)	**1,353**	47
Net increase in cash and cash equivalents		**452**	60	**192**	610
Cash and cash equivalents at 1 May		**(2,199)**	(2,259)	**(480)**	(1,090)
Cash and cash equivalents at 30 April		**(1,747)**	(2,199)	**(288)**	(480)
Cash		**67**	-	**-**	-
Overdraft and invoice discounting facility		**(1,814)**	(2,199)	**(288)**	(480)
Cash and cash equivalents at 30 April		**(1,747)**	(2,199)	**(288)**	(480)

Notes to the Financial Statements

for the year ended 30 April 2015

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 2015 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 Chairman's Statement on pages 4 to 6. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report on pages 7 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

IFRS 9	-	Financial Instruments (Issued Nov 2009)
IFRS 14	-	Regulatory Deferral Accounts (Issued January 2014)
IFRS 15	-	Revenue from Contracts with Customers (Issued May 2014)
IFRIC 21	-	Levies (Issued May 2013)

Amendments

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle (Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38)
Annual Improvements September 2014 (IFRS5, IFRS7)
Amendments for investment entities (IFRS 10, IFRS 12 and IAS 28)
Amendments regarding the accounting for acquisitions of an interest in a joint operation (IFRS 11)
Amendments to IAS1, disclosure initiative
Amendments to IAS16 and IAS38, Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS19, Defined Benefit Plans: employee contributions
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.

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

An income statement is not provided for the parent company as permitted by section 408 of the Companies Act 2006. The loss dealt with in the financial statements of Coral Products Plc was £327,000 (2014: £202,000).

Adoption of New and Revised Standards

In the current year, the following new and revised Standards and Interpretations, all effective for periods beginning on 1 January 2014, have been adopted and have affected the amounts reported in these financial statements. The directors do not consider that the new and revised Standards and Interpretations described below have had a material impact on the Group consolidated results.

IFRS 10 Consolidated Financial Statements. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

IFRS 11 Joint Arrangements. The principle in IFRS11 is that a party to a joint arrangement recognises its right and obligations arising rights and obligations arising from the arrangement rather than focusing on the legal form.

IFRS 12 Disclosure of Interests in Other Entities. IFRS 12 Disclosure of Interests in Other Entities includes the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IAS 27 Separate Financial Statements. IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with the applicable financial statements instruments standard (i.e. IAS 39 or IFRS 9)

IAS32 Offsetting Financial Assets and Liabilities – Amendments to IAS 32. This amendment seeks to clarify rather than to change the off-setting requirements previously set out in IAS 32. The changes clarify:

- the meaning of "currently has a legally enforceable right of set off"; and
- that some gross settlement systems may be considered equivalent to net settlement.

IAS 36 Recoverable Amount Disclosures – Amendments to IAS 36. The amendments align the disclosures required for the recoverable amount of an asset (or CGU) when this has been determined on the basis of fair value less costs of disposal with those required where the recoverable amount has been determined on the basis of value in use. Certain disclosures are now only required when an impairment loss has been recorded or reversed in respect of an asset or CGU. Other disclosure requirements have been clarified and expanded, for assets or CGUs where the recoverable amount has been determined on the basis of fair value less cost of disposal.

Transition Guidance – Amendments to IFRS 10, IFRS 11 and IFRS 12. The Amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements. They also provide additional transition relief in IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

IFRS 10, IFRS 12 and IAS 27 Investment Entities – Amendment to IFRS 10, IFRS 12 and IAS 27. The Amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements.

Basis of Consolidation

The Group's financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 30 April 2015. 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 2016.

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 2016. 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

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

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.

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

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

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

Revenue Recognition
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. Sales of goods are recognised when goods are shipped and title has passed.

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.

Taxation (continued)

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

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

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

Goodwill

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

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

Goodwill is measured at cost less accumulated impairment losses.

Impairment of Goodwill

Impairment tests on goodwill are performed annually at the financial year end. Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The calculation of value in use requires management to estimate the future cash flows expected to arise from cash generating units and suitable discount rate in order to calculate present value. Any impairment of goodwill is charged to the Group income statement.

Property, Plant and Equipment

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

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

Property, Plant and Equipment (continued)

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

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

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

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 trade marks 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	-	25-33%
Licences	-	10%

Impairment of Tangible and Intangible Assets Excluding Goodwill

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 April 2015 continued

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.

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 2015.

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

Restatements
In July 2014, the Group acquired 100% ownership of Tatra Plastics Manufacturing Limited("Tatra").
In the application of the guidance set out in IFRS 3 Business Combinations, which confirms the requirement to assess identifiable assets acquired, the directors concluded that the customer relationships acquired in the acquisition of Tatra had a fair value.

Based on an assessment of future cash flows from these customer relationships in the business, management have assessed the fair value of the customer relationships acquired to be £287,000 for the Tatra acquisition. This has been based on the income approach to valuing customer relationships – i.e. the discounted cash flow method.

Restatements (continued)

As a consequence the directors have re-performed the purchase price allocation at the date of the acquisition of Interpack Limited, acquired in September 2011. The acquisitions of Interpack and Tatra represent the Group diversifying into new markets to compensate for the terminal decline of the media packaging sector in which it originally operated. The significant value in each transaction is the goodwill associated with the buyer specific synergies which arise from the sale of new products to a new market and new customers to the Group, however the directors recognise that on both acquisitions, there are separately identifiable intangible assets to recognise in the form of customer relationships.

As a result of the above, the goodwill for comparative periods has been restated to separately identify intangible assets acquired on acquisition of Interpack Limited in September 2011. This has resulted in a decrease in goodwill of £411,000, an increase in intangible assets of £46,000 (comprising cost of £411,000 and accumulated amortisation of £365,000 to 30 April 2014) and a decrease in retained earnings of £365,000 at 30 April 2014. The operating profit for the year ended 30 April 2014 has been reduced by the amortisation charge on the intangible assets of £137,000. This has resulted in a reduction in the reported basic and diluted earnings per share of 0.23p for the year ended 30 April 2014.

In addition, the Group has decided to present distribution expenses of £546,000 separately from administrative expenses in the Group income statement resulting in a decrease in administrative expenses of the same amount for the year ended 30 April 2014. As this is a reclassification of expenses on the face of the income statement, there is no impact on reported profits or the balance sheet for the year ended 30 April 2014.

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 net selling price 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).

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 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.

Business Combinations (continued)

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.

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

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

- Market price risk
  - Fair value or cash flow interest rate risk
  - Foreign currency risk
- Liquidity risk
- Credit risk

Policies for managing these risks is 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. 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 £18,000. A 1% decrease in the interest rate would, on the same basis, have increased post-tax profits by the same amount.

The Group's foreign exchange risk is dependent on the movement in the euro to sterling exchange rate. The effect of a 5% strengthening in the euro against sterling at the balance sheet date on the euro denominated debt at 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 £18,000. A 5% weakening in the exchange rate would, on the same basis, have increased post-tax profit by £26,000.

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:

	2015 £'000	2014 £'000
Continuing operations		
UK	**16,917**	16,353
Rest of Europe	**508**	825
Rest of the World	**-**	44
	17,425	17,222

All Group revenue is in respect of the sale of goods. Revenues of £2,514,000 are derived from a single customer. No other single customer contributed 10% or more to the Group's revenue for the year ended 30 April 2015. In 2014, three customers contributed £2,182,000, £2,128,000 and £1,765,000 to Group revenue.

All non-current assets are held in the UK.

6. UNDERLYING PROFIT AND SEPARATELY DISCLOSED ITEMS

	2015 £'000	Restated (note 2) 2014 £'000
Underlying operating profit	**1,349**	664
Separately disclosed items within administrative expenses		
Share based payment charge (note 21)	**(12)**	-
Amortisation of intangible assets (customer relationships) (note 15)	**(106)**	(137)
Acquisition costs (note 14)	**(106)**	-
Retirement costs of former directors	**(414)**	-
Impairment loss recognised on trade receivables	**(336)**	-
Impairment loss recognised on tangible assets	-	(1,123)
Impairment loss recognised on intangible assets	-	(64)
Inventory obsolescence provision	-	(104)
Total separately disclosed items	**(974)**	(1,428)
Operating profit/(loss)	**375**	(764)

Separately disclosed items in the current year include retirement costs relating to two former directors amounting to £414,000 and a significant bad debt in relation to a customer that has been placed into administration amounting to £336,000.

Separately disclosed items in the prior year represented impairment losses on media related asset values. During the prior year the Board became aware that its previous estimates of the useful economic lives and residual values of certain media based assets, particularly DVD related, had significantly reduced. This was based on order intake, industry views and discussion with customers. As a result, the board undertook an impairment review to revise the carrying values of fixed assets and stocks related to these assets. This assessment resulted in an exceptional loss.

7. OPERATING PROFIT/(LOSS)

	2015 £'000	Restated (note 2) 2014 £'000
This is stated after charging/(crediting) the following		
Staff costs (note 9)	**3,872**	3,023
Impairment loss recognised on trade receivables	**336**	-
Cost of inventories recognised as expense	**9,334**	9,861
Net foreign exchange gains	**(379)**	(186)
Depreciation of property, plant and equipment:		
Owned assets	**467**	550
Under finance leases	**66**	131
Amortisation of intangible assets	**136**	187
Gain on disposal of property, plant and equipment	**(33)**	(31)
Rentals under operating leases:		
Hire of plant and machinery	**98**	36
Land and buildings	**44**	-
Auditor remuneration for statutory audit services to the Group and subsidiaries	**32**	30
Auditor remuneration for non-audit services: tax compliance	-	12

There are no non-audit fees payable to the auditor (2014: £12,000 was payable in relation to tax compliance services to Hurst & Company Accountants LLP).

8. FINANCE COSTS

	2015 £'000	2014 £'000
Interest payable on bank borrowings	**73**	70
Interest payable on finance leases	**58**	32
Interest payable on term loans	**45**	41
Interest payable on other loans	**8**	15
	184	158

9. STAFF COSTS

	2015 No	2014 No
Average number of employees (including executive directors) comprised		
Production	**102**	98
Selling and distribution	**16**	15
Administration	**16**	8
	134	121

	2015 £'000	2014 £'000
Their aggregate remuneration comprised		
Wages and salaries	**3,098**	2,718
Social security costs	**283**	254
Other pension costs	**65**	51
Retirement costs to former directors	**414**	-
Total remuneration before share option charge	**3,860**	3,023
Share option charge	**12**	-
Total remuneration	**3,872**	3,023

Details of Directors' emoluments are shown in the Directors' Remuneration Report on pages 16 to 18.

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.

	2015 £'000	2014 £'000
Their aggregate remuneration comprised		
Wages and salaries	**946**	441
Other pension costs	**29**	27
Retirement costs to former directors	**414**	-
Share option charge	**4**	-
	1,393	468

Notes to the Financial Statements

for the year ended 30 April 2015 continued

10. TAXATION

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

	2015 £'000	2014 £'000
Current tax		
UK Corporation tax	-	-
Deferred tax	-	-
Adjustment in respect of previous years	-	-
Total taxation for the financial year	-	-

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the UK of 20% (2014: 23%). The differences are reconciled as follows

Reconciliation of taxation charge

	2015 £'000	Restated (note 2) £'000
Profit /(loss) on ordinary activities before tax	**191**	(922)
Tax on profit/(loss) on ordinary activities at 20% standard rate of tax (2014: 23%)	**38**	212
Non-deductible expenses	**62**	-
Change in tax rates	**2**	-
Other differences	**(41)**	-
Effects of tax losses carried forward	**(61)**	(212)
Total taxation charge	-	-

Deferred tax liability	2015 £'000	2014 £'000
At 1 May	**32**	32
Acquired with subsidiary (note 14)	**30**	-
At 30 April	**62**	32
Comprising:		
Accelerated capital allowances	**62**	32

The Group has not recognised a deferred tax asset of £80,000 (2014: £76,000) in relation to tax losses carried forward.

Notes to the Financial Statements

for the year ended 30 April 2015 continued

11. EARNINGS/(LOSS) PER ORDINARY SHARE

	2015	Restated (note 2) 2014
Earnings/(loss) per share (basic and diluted)	**0.35p**	(2.20p)
Underlying earnings per share (basic and diluted)	**2.12p**	1.21p

The share options issued in the year are non-dilutive.

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

	2015			2014		
	Earnings £'000	Weighted average number of shares	Earnings per share (pence)	Earnings £'000	Weighted average number of shares	Earnings per share (pence)
Profit/(loss) for the year	**191**	**54,894,513**	**0.35**	(922)	41,935,609	(2.20)
Separately disclosed items (note 6)	**974**			1,428		
Underlying profit for the period	**1,165**	**54,894,513**	**2.12**	506	41,935,609	1.21

Underlying earnings per share

Underlying earnings per share has been presented in addition to basic earnings per share since in the opinion of the directors this provides shareholders with a more meaningful representation of the earnings derived from the Group's operations.

12. DIVIDENDS PAID AND PROPOSED

	2015 £'000	2014 £'000
Interim dividend 0.2p (2014: nil) paid 30 April 2015	**116**	-
Final dividend for 2014 0.5p (2013: 0.5p) paid 17 October 2014	**289**	210
	405	210

A final dividend of 0.5p (2014: 0.5p) is to be recommended at the forthcoming AGM. The final dividend is subject to approval by shareholders at the Annual General Meeting on 26 August 2015 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 30 October 2015 to shareholders on the register at the close of business on 7 August 2015. The total cost of the dividend will be £298,058.

13. INVESTMENTS: SHARES IN GROUP UNDERTAKINGS

Parent Company	2015 £'000	2014 £'000
Cost and net book value		
At 1st May	**4,195**	4,195
Additions (note 14)	**2,500**	-
Share options granted to employees in subsidiaries (note 21)	**12**	-
At 30th April	**6,707**	4,195

All non-current investments relate to Group undertakings. Listed below are the subsidiaries and the ownership of their share capital by the Group.

Interpack Limited	100%
Coral Products (Mouldings) Limited	100%
Tatra Plastics Manufacturing Limited	100%

All Group undertakings are consolidated. The above companies and the parent company were all incorporated and operate in the United Kingdom.

Details of the purchase consideration and goodwill arising on the acquisition of Tatra Plastics Manufacturing Limited is shown in note 14.

14. GOODWILL

Group	£'000
At 1 May 2013 and 1 May 2014 (as restated) (note 2)	3,457
Additions	1,311
At 30 April 2015	**4,768**

Goodwill of £3,457,000 relates to the acquisition of Interpack Limited which was acquired in September 2011.

On 8 July 2014, the Group purchased 100% of the share capital of Tatra Plastics Manufacturing Limited ("Tatra"), a specialist in PVC and plastic injection moulding and extrusion, for £2,500,000. The purchase has been accounted for as a business combination. The following table summarises the consideration paid for Tatra and the fair value of the assets and liabilities assumed at the acquisition date.

14. GOODWILL (continued)

	Fair value £'000
Consideration at 8 July 2014	
Cash	2,000
Shares (3,333,333 ordinary shares)	500
Total consideration	**2,500**
Recognised amounts of identifiable assets and liabilities	
Cash and cash equivalents	51
Property, plant and equipment	257
Customer relationships (included in intangible assets) (note 15)	287
Inventories	480
Trade and other receivables	729
Trade and other payables	(585)
Deferred tax liabilities	(30)
Total identifiable net assets	**1,189**
Goodwill	**1,311**
Total	**2,500**

The completion balance sheet includes an adjustment to recognise a separate intangible asset in respect of customer relationships. The goodwill recognised above includes certain intangible assets that cannot be separately identified and measured due to their nature. This includes control over the acquired business, the skills and experience of the assembled workforce, the scale and the future growth opportunities that is provides to the Group's operations. The goodwill recognised is not deductible for tax purposes.

Acquisition related costs of £106,000 have been charged as administrative expenses in the income statement for the year ended 30 April 2015. Share issue costs of £49,000 have been charged against the share premium account. The fair value of the 3,333,333 ordinary shares issued as part of the consideration was based on the published share price on 8 July 2014.

Since acquisition, Tatra has contributed £3,384,000 to revenue and £470,000 profit to the Group. If the acquisition of Tatra had taken place on 1 May 2014, the Group's revenue for continuing operations would have been £18,039,000; operating profit would have been £219,000 and underlying operating profit would have been £1,427,000.

The Group tests goodwill annually for impairment. The recoverable amount of goodwill arising on the acquisition of Interpack and Tatra 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 Interpack and Tatra. In assessing goodwill for impairment, the directors consider Interpack and Tatra 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 2015, the impairment review has concluded that the value in use of Interpack and Tatra exceeds the goodwill 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.

14. GOODWILL (continued)

The Group has conducted a sensitivity analysis on the impairment test of each CGU and the group of carrying value. A decrease in the growth rate by five percentage points would cause the carrying value of goodwill to equal its *recoverable amount in Tatra. No issue of impairment is noted at this level for Interpack.*

Parent company

There is no goodwill in the parent company (2014: £Nil).

15. OTHER INTANGIBLE ASSETS

	Customer relationships £'000	Licences £'000	Total £'000
Group			
Cost			
At 1 May 2013 (as restated) (note 2)	411	589	1,000
Additions	-	12	12
Disposals	-	(35)	(35)
At 1 May 2014	411	566	977
Additions	-	7	7
Acquired with subsidiary (note 14)	287	-	287
At 30 April 2015	**698**	**573**	**1,271**
Amortisation			
At 1 May 2013 (as restated) (note 2)	228	445	673
Charge in the year	137	50	187
Disposals	-	(35)	(35)
Impairment loss (note 6)	-	64	64
At 1 May 2014	365	524	889
Charge in the year	106	30	136
At 30 April 2015	**471**	**554**	**1,025**
Net book value			
At 30 April 2015	**227**	**19**	**246**
At 30 April 2014	46	42	88
At 30 April 2013	183	144	327

	Licences £'000	Total £'000
Parent company		
Cost		
At 1 May 2013, 1 May 2014 and 30 April 2014	**403**	**403**
Depreciation		
At 1 May 2013	322	322
Charge in the year	20	20
Impairment charge (note 6)	61	61
At 1 May 2014	403	403
Charge in the year	-	-
At 30 April 2015	**403**	**403**
Net book value		
At 30 April 2015	**-**	**-**
At 30 April 2014	-	-

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Fixtures and fittings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Group					
Cost					
At 1 May 2013	1,949	117	24,949	-	27,015
Additions	1	11	718	-	730
Disposals	-	(103)	(14,742)	-	(14,845)
At 1 May 2014	1,950	25	10,925	-	12,900
Acquired with subsidiary	-	4	252	1	257
Additions	-	25	618	-	643
Disposals	-	-	(211)	-	(211)
At 30 April 2015	**1,950**	**54**	**11,584**	**1**	**13,589**
Depreciation					
At 1 May 2013	10	108	20,611	-	20,729
Charge in the year	30	6	645	-	681
Impairment loss	-	-	1,123	-	1,123
Disposals	-	(103)	(14,728)	-	(14,831)
At 1 May 2014	40	11	7,651	-	7,702
Charge in the year	30	9	493	1	533
Disposals	-	-	(202)	-	(202)
At 30 April 2015	**70**	**20**	**7,942**	**1**	**8,033**
Net book value					
At 30 April 2015	**1,880**	**34**	**3,642**	**-**	**5,556**
At 30 April 2014	1,910	14	3,274	-	5,198

The land and buildings net book value represents freehold land and buildings. Included in this amount is a value of £450,000 for land which has not been subject to depreciation.

The net book value of plant and equipment includes £614,000 (2014: £1,804,000) in respect of assets held under finance leases. Depreciation for the year in respect of these assets was £66,000 (2014: £131,000).

	Land and buildings £'000	*Total* £'000
Parent company		
Cost		
At 1 May 2013	1,949	1,949
Additions	1	1
At 1 May 2014 and 30 April 2015	**1,950**	**1,950**
Depreciation		
At 1 May 2013	10	10
Charge in the year	30	30
At 1 May 2014	40	40
Charge in the year	30	30
At 30 April 2015	**70**	**70**
Net book value		
At 30 April 2015	**1,880**	**1,880**
At 30 April 2014	1,910	1,910

17. INVENTORIES

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Raw materials	**575**	615	**-**	-
Finished goods and goods for resale	**829**	1,110	**-**	-
	1,404	1,725	**-**	-

18. TRADE AND OTHER RECEIVABLES

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Current				
Trade receivables	**3,497**	3,957	**38**	686
Less: provision for impairment of trade receivables	**(1)**	(1)	**-**	-
	3,496	3,956	**38**	686
Amounts owed by subsidiary company	**-**	-	**3,195**	3,732
Prepayments and accrued income	**358**	277	**96**	21
	3,854	4,233	**3,329**	4,439

The fair value of trade and other receivables approximates to book value at 30 April 2015 and 2014.

The Group is exposed to credit risk with respect to trade receivables due from its customers. The Group currently has around 420 customers predominantly in the manufacturing and retail sectors. The directors consider that no credit note provision is required and provision for impairment to be £1,000 (2014: £1,000). As at 30 April 2015 Group trade receivables of £159,000 (2014: £55,000) were past due but not impaired. As at 30 April 2015 the Company's trade receivables of £38,000 (2014: £38,000) were past due but not impaired. These relate to customers against whom no provision was considered necessary. The ageing analysis of these receivables is as follows:

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Up to 3 months past due	**149**	-	**38**	-
3 months to 6 months past due	**10**	55	**-**	38
	159	55	**38**	38

As at 30 April 2015 trade receivables of £1,000 (2014: £1,000) were past due, impaired and provided against.

There are no significant receivables included within this provision. 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.

Notes to the Financial Statements

for the year ended 30 April 2015 continued

18. TRADE AND OTHER RECEIVABLES (continued)

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

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Sterling	**3,494**	3,907	**38**	636
Euros	**3**	50	**-**	50
	3,497	3,957	**38**	686

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

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
At beginning of year	**1**	1	**-**	-
Provided during the year	**-**	-	**-**	-
Released during the year	**-**	-	**-**	-
At end of year	**1**	1	**-**	-

The movement on the provision for impaired receivables has been included in administrative expenses in the accounts. 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 interest swaps or forward foreign exchange contracts at the year end.

In the year an impairment loss has been recognised against trade receivables of £336,000 relating to a media packaging company.

19. TRADE AND OTHER PAYABLES

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Trade payables	**1,533**	2,840	**-**	-
Other taxes and social security	**519**	395	**8**	-
Corporation tax payable	**41**	-	**-**	
Accruals and deferred income	**566**	173	**17**	-
Other payables	**-**	26	**-**	-
	2,659	3,434	**25**	-

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

The average credit period taken for trade purchases is 47 days (2014: 67 days).

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

20. FINANCIAL LIABILITIES

The maturity profile of the non-current financial liabilities as at 30 April 2015 is set out below:

	Group		Parent company	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Borrowings				
Current				
Invoice discounting facility	**1,814**	2,199	**288**	480
Finance lease liabilities	**265**	192	**-**	-
Term loan	**203**	111	**203**	111
Other loans	**67**	-	**-**	-
	2,349	2,502	**491**	591
Non-current				
Finance lease liabilities	**425**	285	**-**	-
Term loan	**1,146**	1,035	**1,146**	1,035
Director's loan	**133**	146		-
	1,704	1,466	**1,146**	1,035

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

	2015	2014
Invoice discounting facility	**2.3%**	2.3% over base
Finance leases	**16.5%**	11.8%
Term loan	**3.0%**	3.5%
Director's loan	**5.0%**	10.0%

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 their fair value of the Group's borrowings is the same as the above book values as at 30 April 2015 and as at 30 April 2014.

The maturity profile of the non-current financial liabilities as at 30 April 2015 is set out below:

	Group		Parent company	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
In more than one year but not more than two years				
Finance lease liabilities	**260**	92	**-**	-
Term loan	**154**	112	**154**	112
Director's loan	**67**		**-**	
In more than two years but not more than ten years				
Finance lease liabilities	**165**	193	**-**	-
Term loan	**992**	923	**992**	923
Director's loan	**66**	146	**-**	-
	1,704	1,466	**1,146**	1,035

20. FINANCIAL LIABILITIES (continued)

Undrawn borrowing facilities

The Company 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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Not later than one year	**324**	252	-	-
After one year but not more than five years	**531**	370	-	
	855	622	-	-

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

	Group		Parent company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Not later than one year	**265**	192	-	-
After one year but not more than five years	**425**	285	-	-
	690	477	-	-

The finance lease contracts are held by Coral Products plc, but relate to Coral Products (Mouldings) Limited and Interpack Limited.

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.

The weighted average fair value of the options granted in the year 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%

An expense of £12,000 has been recognised in the income statement in the current year in relation to these share options.

22. SHARE CAPITAL

	Group		Parent company	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Allotted, called up and fully paid				
57,861,535 (2014: 41,935,609) ordinary shares of 1p each	**579**	419	**579**	419

On 8 July 2014, the Company issued 12,592,593 1p ordinary shares for 13.5p per share for net proceeds of £1,605,000. On the same date, the Company issued 3,333,333 1p ordinary shares for 15p per share as part of the purchase consideration of Tatra Plastics Manufacturing Limited of £500,000 (note 14). The second of these transactions has given rise to the other reserve created in the year, in compliance with section 612 of the Companies Act 2006.

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

	Group		Parent company	
	2015 £'000	2014 £'000	**2015 £'000**	2014 £'000
Net increase in cash and cash equivalents	**452**	60	**192**	610
(Increase)/decrease in bank loans and other loans	**(257)**	108	**(203)**	104
Increase in finance leases	**(213)**	(186)	**-**	-
Movement in net debt for the period	**(18)**	(18)	**(11)**	714
Net debt at beginning of period	**(3,968)**	(3,950)	**(1,626)**	(2,340)
Net debt at end of period	**(3,986)**	(3,968)	**(1,637)**	(1,626)

24. RELATED PARTY TRANSACTIONS

Group

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

Key management personnel

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

Director's loan

On 30 April 2015 the Group held a loan from Joe Grimmond for £200,000 (2014:£146,000). This loan is a related party transaction which the Directors consider to have terms which are fair and reasonable. The loan is repayable over the next three years and interest is payable at 5% (2014: 10%).

24. RELATED PARTY TRANSACTIONS (continued)

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:

	2015 £'000	2014 £'000
Purchases from Group undertakings	**1,596**	4,311
Rentals received from Group undertakings	**300**	300
Recharge of overheads from Group undertakings	**264**	354
Dividends received from Group undertakings	-	400

25. POST BALANCE SHEET EVENTS

On 24 June 2015, the Group acquired a portfolio of assets from Neiman Packaging for £500,000 comprising £300,000 initial consideration and £200,000 earn-out consideration. The assets acquired include injection moulding, extrusion blow moulding and injection blow moulding plant and machinery. The earn-out will be paid on a pro-rata basis on revenues generated by the assets between £2m and £3.5m in months 4 to 15 from the date on which the assets are introduced to the Group's business.

The acquisition and the associated working capital facility were funded by a combination of existing bank facilities and funds raised via a subscription for 1,750,000 shares at a price of 13.5p each raising gross proceeds of £236,250. Following the issue of these shares, the Company's issued share capital will comprise 59,611,535 ordinary shares

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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Within one year	**75**	84	-	-
Between two and five years	**137**	175	-	-
More than five years	-	-	-	-
	212	259	-	-

The Group leases certain distribution facilities at Dunstable and also leases certain other plant and equipment under non-cancellable operating lease agreements.

Capital commitments

The Group had capital commitments at 30 April 2015 to purchase tooling and machinery of £8,400 (2014: £nil).

Five Year Record (unaudited)

	2015 £'000	Restated 2014 £'000	Restated 2013 £'000	Restated 2012 £'000	Restated 2011 £'000
Turnover	**17,425**	17,222	17,279	17,309	13,194
Profit					
Operating profit/(loss)	**1,349**	664	496	250	(700)
Net interest payable	**(184)**	(158)	(146)	(65)	(53)
Underlying profit/(loss) before taxation	**1,165**	506	350	185	(753)
Separately disclosed items	**(974)**	(1,428)	(137)	(554)	-
Taxation	**-**	-	77	-	-
Profit/(loss) after taxation	**191**	(922)	290	(369)	(753)
Interest cover (times)	**7.3**	4.2	3.4	3.8	(13.2)
Underlying earnings per share (pence)	**2.12**	1.21	1.08	0.58	(3.74)
Dividend per share (pence)	**0.7**	0.5	0.5	0.5	nil
Assets employed					
Fixed assets	**10,570**	8,743	10,070	8,726	4,261
Other net (liabilities)/assets	**(1,449)**	(1,476)	(1,671)	(782)	1,453
	9,121	7,267	8,399	7,944	5,714
Financed by					
Share capital	**579**	419	419	381	201
Reserves	**8,542**	6,848	7,980	7,563	5,513
Shareholder's funds	**9,121**	7,267	8,399	7,944	5,714
Gearing (%)	**44**	55	47	24	16
Net assets per share (pence)	**16**	17	20	21	28

Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Coral Products plc (the Company) will be held at the Haydock Thistle Hotel, Haydock, Merseyside, WA11 9SG, on Wednesday 26 August 2015, at 12.00 noon for the purpose of considering and, if thought fit, passing of the following resolutions, of which Resolutions 1 to 7 will be proposed as Ordinary Resolutions, to be passed with more than half of the votes in favour of the resolution and Resolutions 8 and 9 will be proposed as Special Resolutions, to be passed with at least three-quarters of the votes in favour of the Resolution.

Ordinary business

Ordinary resolutions

1. To receive and adopt the audited accounts for the year ended 30 April 2015, together with the Reports of the Directors and Auditors.
2. To re-elect Paul Freud, who retires by rotation as a Director of the Company.
3. To re-elect David Low, who retires by rotation as a Director of the Company.
4. To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and that the Directors be authorised to fix their remuneration.
5. To declare a final dividend of 0.5p per ordinary share in respect of the year ended 30 April 2015, such dividend to be paid on 30 October 2015 to the holders of ordinary shares on the register at the close of business on 7 August 2015.
6. To approve the Board Report on Directors' Remuneration for the year ended 30 April 2015.
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 £397,410, 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 2016, 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 7 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 £198,705;
   - 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 2016 (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 8,941,730;
   (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 2016, 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

Stephen Fletcher
Company Secretary
Haydock
3 August 2015

Registered Office
North Florida Road
Haydock Industrial Estate
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 3 August 2015 (being the last Business Day prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consists of 59,611,535 ordinary shares of 1p each with voting rights. Therefore, the number of total voting rights in the Company is 59,611,535.

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	**26 August 2015**
Payment of Final Dividend	**30 October 2015**
Provisional - Interim results	**December 2015**

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, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL.

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

Coral Products PLC
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