Company Registration No.
193946

TINMASTERS SWANSEA LIMITED

Annual Report and Financial Statements

31 December 2019

TINMASTERS SWANSEA LIMITED

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TINMASTERS SWANSEA LIMITED
Company Information

Directors

J Crawford
R O'Neill
C Edge (Appointed 26/02/2020)
DJ Davies (Appointed 26/02/2020)
E-W Francis (Appoined 16/12/2020)

Registered number

193946

Registered office

Bryntywod
Llangyfelach
Swansea
SA5 7LN

Independent Auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff

TINMASTERS SWANSEA LIMITED
Directors report

The directors present their strategic report and the audited financial statements for the year ended 31 December 2019.

Principal activities
The principal activity of the company is printing and conversion of metal for use within the metal packaging industry.

Review of the business

Tinmasters Swansea Limited's principal activities include the printing and coating of metal packaging products. The profit and loss account for the financial year is set out on page 9. The company's operating loss for the financial year amounted to £1,190,000 (2018: operating loss of £663,000).

The business was acquired by Tinmasters Group in August 2018 and strategic changes have subsequently been made which include selling the press cell plant, a renewed focus on UK general line business and investment in both capital and human resources.

Results and performance

Revenue	:	£5,472,000 (2018: £7,0734,000).
EBITDA	:	(£1,003,000) (2018: £322,000 loss).
Loss for the financial year	:	£ 1,209,000 (2018: £610,000).

The Directors' have not paid a dividend during the year (2018: £2,512,000)
The statement of comprehensive income for the financial year and 2018 comparative year is shown on page 9.

Key performance indicators

The main financial KPI's that are constantly reviewed are revenue, EBITDA and profit for the financial year.

Employees
The nature of much of the company's trading activities makes it heavily dependent on the quality and efficiency of the personnel involved in the business. People management and development is therefore critical to the success of the company, and considerable effort and investment is put into the recruitment, training, welfare and support of all staff.

The company is committed to creating a fair, enjoyable and fulfilling work environment and has policies in place to create opportunity, prevent discrimination, encourage engagement and keep staff informed on aspects of the business.

The company is an equal opportunity employer. Policies and practices are established to ensure that, as far as possible, no job applicant or employee receives less favourable treatment on either racial grounds or on grounds of sex, age or matrimonial status, or is disadvantaged by unjustifiable conditions or requirements.

It is company policy to ensure that employees work within a safe and healthy environment and that any issues/concerns that they raise are given due consideration and are promptly and fairly responded to. The company also looks to ensure that employees are fairly rewarded for their endeavours.

TINMASTERS SWANSEA LTD
Directors Report (Continued)

Political and charitable contributions

There were no political and charitable donations during the year (2018: £nil).

Directors

The following persons served as directors during the year and up to the date of this report:

Richard O'Neill
David Julian Davies
Christopher Edge
Jane Crawford
Emyr-Wyn Francis

Business conduct

The Directors recognise the importance of managing the business in a responsible, fair and ethical manner, and strive to engender such values in every aspect of its operations. Social, environmental and sustainable considerations are taken into account in the formulation of all polices. All business transactions adhere to the company's Anti-Bribery and Corruption Policy, which is reviewed on a regular basis by the Directors and is externally audited on an annual basis.

Directors' qualifying third party indemnity provision

Tinmasters Swansea Limited has indemnified, by means of directors' and officers' liability insurance, the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report.

Principal risks and uncertainties

The company's operations expose it to a variety of financial and operational risks. These risks are regularly reviewed by the Board to assess whether they reflect the most significant risks facing the business, based upon evolving internal and external factors. Careful risk management is fundamental to the ability of the business to execute its strategic objectives. The principle risks are detailed below along with managements mitigating actions.

a. Financial Risk Management:

Foreign currency – the main currency related risk arises from movements in the Euro to US$ exchange rate. This risk has been managed by entering into forward currency option contracts. The fair value of these are incorporated in the financial statements .

Commodity price - whilst the company does not engage in taking speculative positions it does have to make significant forward purchases of certain raw materials. Reporting systems are in place to ensure that the Board is appraised of the exposure level on a regular basis.

Finance availability – there is a need to ensure that adequate financial resources are available to accommodate unexpected movements in working capital. The company has and continues to operate with banking facilities that provide headroom above the anticipated maximum requirement as projected in working capital cycle forecasts.

b. <u>Operational Risk Management:</u>

Customer concentration – The company addresses this risk by pursuing a sensible growth strategy to reduce customer concentration primarily by increasing capacity and through geographic expansion. Management operate systems designed to ensure that as far as possible all customer requirements are met or exceeded, through a focus on operational excellence.

Manufacturing Productivity – Much of the company's business is conducted on a customer "made to order" basis. This requires sophisticated order processing, manufacturing and delivery systems. The breakdown of any of these systems, through mechanical fault, weather and traffic disruption or computer malfunctions and errors, can create the risk of order fulfilment failure. The company protects against this through the operation of multiple supply points, with third party arrangements in place and the back-up of all IT systems supported with a business continuity plan. Efficient manufacturing and quality control compliance regimes, independently audited, also contribute to minimising the risks of such productivity failures. Significant investment continues in the company's manufacturing plant.

Supply Chain Efficiency – Continued supply of the company's raw materials for manufacturing activities, are vital to the success of the organisation and disruption to this supply would damage revenue streams. To minimise this risk, the company operates partnership relationships with key suppliers to ensure that optimum stock levels are maintained in the supply chain. A senior management team works to optimise stock turn ratios while ensuring adequate availability.

Brexit – Since the outcome of the UK referendum on EU membership in June 2016, the company has been continually assessing the adequacy of its contingency plans. Advice has been taken where appropriate to understand the implications of either a new trading relationship with the EU or, if no trade agreement is reached, the UK abiding by World Trade Organisation (WTO) rules. Several measures have been taken to mitigate delays at the border as far as possible, such as securing access to simplified customs procedures and partnering with a haulage company to ensure compliance with new legislation. We are engaging with our main customers to ascertain their readiness to operate under a hard border with the UK, providing support where needed. On tariffs, we note the publication of the UK's new Global Tariff (UKGT) in May 2020. In the event that no Free Trade Agreement is reached with the EU, and the UKGT is applied, we expect that EU and non-EU imports would attract an average tariff of c.2% on our products. We will continue to monitor the status of Brexit negotiations, and review and adjust our contingency planning accordingly.

Covid-19 - The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely (see note 24).

Going concern

As at 31 December 2019 the Company has net current liabilities of £(19)k (2018: Net assets £1,330k). The Company continues to operate with the ongoing operational support of the parent company, Tinmaster Group Limited and its sister company, Tinmasters Limited (together the "Group").

In assessing the Group's and the Company's ability to continue as a going concern, the Directors have reviewed the Group's cash flow and profit forecasts for the foreseeable future and considered the Group's performance with respect to cash and facility headroom. The review included a sensitivity analysis based on the business' key risks which, after taking into account existing plans and preparations, includes a reasonable worse case scenario for the on-going impact of COVID-19 and a "No Deal" Brexit. The forecast also factors in post balance sheet events such as the rationalisation of two premises into one and a refinancing which included the removal of any financial covenants. The parent company has also provided a letter of financial support stating it will meet, as necessary, any liabilities falling due by the Company for at least 12 months from the date of these financial statements.

Based on this assessment, the Directors have concluded that the Company will continue in operational existence for the foreseeable future and that it is appropriate to prepare these financial statements on a going concern basis.

TINMASTERS SWANSEA LTD

Directors report (Continued)

Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Company will continue in operational existence for the foreseeable future and that it is appropriate to prepare these financial statements on a going concern basis.

Future developments

The company remains focused on achieving the highest standards of quality and service and to this end will continue to focus on a programme of capital investment. Despite uncertainty surrounding Brexit and Covid-19, the directors remain confident in the prospects for the company and anticipate growing growing revenues over the coming years.

Summary and current trading

The Board is pleased with the progress made during 2020 which have both addressed the strategic integration of the Afon Tinplate acquisition into Tinmasters and enabled Tinmasters to adapt to market changes in 2019 and those resulting from Covid-19 in 2020.

The decision to close the Caldicot site during 2020 and start trading through Swansea, has proved to be a good business decision. Whilst there was initial expense for the cost of redundancy and the moving of assets it has led to reduced overheads and provided the opportunity for the business to be more resilient under the current trading environment. It has been well managed and customers were protected throughout. The business is now strategically stronger, more agile with lower overheads and room to grow.

Directors' responsibilities statement

The directors are responsible for preparing the report and 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). 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 company and of the profit or loss of the company for that period. 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 applicable UK Accounting Standards have been followed, 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 company 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 the 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.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TINMASTERS SWANSEA LTD
Directors report (Continued)

Independent auditors

Under section 487(a) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Board and signed on its behalf on the 22nd December 2020.

Jane Crawford
Director
22nd December 2020

TINMASTERS SWANSEA LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINMASTERS SWANSEA LIMITED

Report on the audit of the financial statements

Opinion

In our opinion Tinmasters Swansea Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

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

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in repect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TINMASTERS SWANSEA LIMITED

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Stuart Couch

Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Cardiff
23 December 2020

TINMASTERS SWANSEA LIMITED
Registered number: 193946

Statement of Comprehensive Income
for the year ended 31 December 2019

	Notes	2019 £000	2018 £000
Turnover	3	5,472	7,734
Cost of sales		(5,981)	(7,431)
Fixed asset impairment		-	54
Gross Profit		(509)	357
Distribution costs		(109)	(152)
Administrative expenses		(572)	(772)
Restructuring cost		-	(96)
Operating loss	4	(1,190)	(663)
Interest payable and similar expenses	7	(19)	(21)
Loss on ordinary activities before taxation		(1,209)	(684)
Tax on loss on ordinary activities	8	75	74
Loss for the financial year		(1,134)	(610)

The notes on pages 12 to 24 form part of these financial statements

TINMASTERS SWANSEA LIMITED
Registered number: 193946

Balance Sheet
as at 31 December 2019

	Notes		2019		2018
			£000		£000
Fixed assets					
Tangible assets	10		2,079		1,939
Current assets					
Stocks	11	974		1,484	
Debtors: amounts falling due within one year	12	1,628		1,412	
Cash at bank and in hand	13	101		248	
		2,703		3,144	
Creditors: amounts falling due within one year	14	(2,722)		(1,814)	
Net current (liabilities)/assets			(19)		1,330
Total assets less current liabilities			2,060		3,269
Provisions for liabilities					
Deferred taxation	16		-		(75)
Net assets			2,060		3,194
Capital and reserves					
Called up share capital	17		1,000		1,000
Profit and loss account	18		(282)		842
Share premium account	18		759		759
Revaluation reserve	18		583		593
Total Equity			2,060		3,194

The financial statements were approved and authorised for issue by the board and were signed on its behalf on the 22nd December 2020.

Jane Crawford

Jane Crawford
Director
22nd December 2020.

The notes on pages 12 to 24 form part of these financial statements

TINMASTERS SWANSEA LIMITED
Statement of Changes in Equity
for the year ended 31 December 2019

	Share capital	Share premium	Revaluation reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 1 January 2019	1,000	759	593	842	3,194
Loss for the financial year	-	-	-	(1,134)	(1,134)
Transfer of revaluation reserve	-	-	(10)	10	-
At 31 December 2019	1,000	759	583	(282)	2,060

	Share capital	Share premium	Revaluation reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 1 January 2018	1,000	759	727	3,954	6,440
Loss for the financial year	-	-	-	(610)	(610)
Transfer of revaluation reserve	-	-	(10)	10	-
Deferred taxation arising on the revaluation of land and buildings			(124)		(124)
Other comprehensive expense/income for the financial year	-	-	(134)	10	(124)
Total comprehensive expense for the financial year	-	-	(134)	(600)	(734)
Dividends	-	-	-	(2,512)	(2,512)
At 31 December 2018	1,000	759	593	842	3,194

The notes on pages 12 to 24 form part of these financial statements

1 ACCOUNTING POLICIES

1.1 General information

Tinmasters Swansea Limited (the "company") undertakes the printing and coating of metal for use within the metal packaging industry.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Bryntywod, Llangyfelach, Swansea, SA5 7LN.

1.2 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102 except where modified for the revaluation of freehold properties, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The prior year Statement of Comprehensive Income has been represented to align certain costs with the presentation of fellow group companies. As a result, £389,000 of costs for the prior year are presented within Cost of sales rather than Administrative expenses. The equivalent adjustment in 2019 is £470,000. There is no impact to profit before tax and/or the balance sheet as a result of this presentational change in either year. Also a further £198,000 of Distribution costs has been presented in Administrative expenses. The equivalent in 2019 is £307,000.

1.3 Going Concern

As at 31 December 2019 the Company has net current liabilities of £(19)k (2018: Net assets £1,330k). The Company continues to operate with the ongoing operational support of the parent company, Tinmaster Group Limited and its sister company, Tinmasters Limited (together the "Group").

In assessing the Group's and the Company's ability to continue as a going concern, the Directors have reviewed the Group's cash flow and profit forecasts for the foreseeable future and considered the Group's performance with respect to cash and facility headroom. The review included a sensitivity analysis based on the business' key risks which, after taking into account existing plans and preparations, includes a reasonable worse case scenario for the on-going impact of COVID-19 and a "No Deal" Brexit. The forecast also factors in post balance sheet events such as the rationalisation of two premises into one and a refinancing which included the removal of any financial covenants. The parent company has also provided a letter of financial support stating it will meet, as necessary, any liabilities falling due by the Company for at least 12 months from the date of these financial statements.

Based on this assessment, the Directors have concluded that the Company will continue in operational existence for the foreseeable future and that it is appropriate to prepare these financial statements on a going concern basis.

1.4 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

1.5 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position, paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement presentation, paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments, paragraphs 11.39 to 11.48A;

1 ACCOUNTING POLICIES (continued)

1.5 Exemptions for qualifying entities under FRS 102 (continued)

- the requirements of Section 12 Other Financial Instruments, paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures, paragraph 33.7.

This information is included in the consolidated financial statements of Tinmasters Group Limited as at 31 December 2019 and these financial statements may be obtained from the registered office at Bryntywod, Llangyfelach, Swansea, SA5 7LN

1.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.7 Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Land is not depreciated.

The estimated useful lives range as follows:

Leasehold land and buildings	over the lease term
Plant and machinery	2 to 15 years
Motor vehicles	4 years

Included in tangible fixed assets are loose plant, tools and spares. Due to the many variations in their estimated useful lives it is impractical to give the specific details of individual useful lives.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Changes in Equity.

1 ACCOUNTING POLICIES (continued)

1.7 Tangible assets (Continued)

The company took advantage of the transitional provision under FRS102 section 35.10(d) which allows for the revaluation value of PP&E under previous GAAP, at or before transition to FR102, to be recognised as deemed cost. The properties were last revalued on 15 September 1994 and the valuations have not been updated subsequently.

1.8 Government Grants

Government grants receivable are treated as deferred income and are amortised over the estimated useful economic lives of the assets to which they relate.

1.9 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.12 Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

1 ACCOUNTING POLICIES (continued)

1.15 Pensions (Continued)

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.17 Financial Instruments

The company enters into basic financial instruments transactions, that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares, and complex financial instrument transactions consisting of forward foreign exchange contracts.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, consisting of forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss as fair value movement. The company does not currently apply hedge accounting for foreign exchange derivatives.

1 ACCOUNTING POLICIES (continued)

1.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.19 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1.20 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

1.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company operates and generates income.

1 **ACCOUNTING POLICIES (continued)**

1.21 Current and deferred taxation (continued)

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2 **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Useful economic lives of fixed assets.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed and amended when necessary to reflect current estimates, based in technological advancement, future investments, economic utilisation and the physical condition of the assets.

3 **REVENUE**

The whole of the revenue is attributable to the principal activities of metal printing and or conversion.

An analysis of revenue has not been presented, as in the opinion of the directors, the disclosure of any information required would be seriously prejudicial to the interests of the company.

4 **OPERATING RESULT**

The operating loss is stated after charging/(crediting):

	2019 £000	2018 £000
Depreciation of tangible fixed assets	187	245
Provision for impairment of fixed assets	-	(54)
Rentals under operating lease arrangements:		
- plant and machinery	38	36
- land and buildings	18	18
Cost of stock expensed	2,545	1,151
Government grants	-	2

5 **AUDITORS' REMUNERATION**

	2019 £000	2018 £000
Fees payable to company's auditors for audit of the company's annual financial statements	10	14
Fees payable to the company's auditors in respect of:		
Other services relating to taxation	4	4

6 EMPLOYEES

The average weekly number of employees, including executive directors but excluding non-executive directors, is as follows:

	2019 Number	2018 Number
Production	38	38
Sales and administration	6	10
	44	48
Their aggregate remuneration comprised:	£000	£000
Wages and salaries	1,353	1,732
Social security costs	141	154
Other pension costs	90	96
	1,584	1,982

No directors remuneration was paid during the year. However, the Directors are considered as Key Management Personnel in the running of Tinmasters Swansea Ltd. The directors were paid by Tinmasters Ltd and apportionment is not practical.

7 INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £000	2018 £000
Bank loans and overdrafts	19	21

8 TAXATION

	2019 £000	2018 £000
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the year	-	-
Effect of changes in tax rate	-	-
	-	-
Deferred tax:		
Origination and reversal of timing differences	(82)	(79)
Prior period adjustments	(1)	(3)
Effect of changes in tax rates	8	8
	(75)	(74)
Tax credit for the year	(75)	(74)

Factors affecting tax charge for the year

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

8 TAXATION (continued)

	2019	2018
	£000	£000
Loss on ordinary activities before tax	(1,209)	(684)
Standard rate of corporation tax in the UK	19.00%	19.00%
	£000	£000
Profit on ordinary activities multiplied by the standard rate of	(230)	(130)
Effects of:		
Expenses not deductible for tax purposes	22	10
Effects of group relief/other reliefs	44	41
Tax rate changes	8	8
Adjustments from previous periods	(1)	(3)
Adjustments to tax charge in respect of previous periods	82	-
Tax credit for the year	(75)	(74)

Factors that may affect future tax charges

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The 17% CT rate was subsequently repealed post balance sheet. Deferred tax has been calculated at 19%, on the basis that it is at this rate that the deferred tax liability is expected to unwind. The March 2020 Budget Statement announced that the UK Corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%.

9 DIVIDENDS

Dividends paid in the year were as follows:

	2019	2018
	£000	£000
Dividends on ordinary shares : £nil per share (2018 - £2.51 per share)	-	1,809
Dividends on preferred shares : £nil per share (2018 - £2.51 per share)	-	703
	-	2,512

10 TANGIBLE ASSETS

	Long leasehold buildings	Plant and machinery	Total
	£000	£000	£000
Cost or valuation			
At 1 January 2019	1,289	8,825	10,114
Additions	-	327	327
At 31 December 2019	1,289	9,152	10,441
Depreciation			
At 1 January 2019	340	7,835	8,175
Charge for the year	14	173	187
At 31 December 2019	354	8,008	8,362
Carrying amount			
At 31 December 2019	935	1,144	2,079
At 31 December 2018	949	990	1,939

The freehold and long leasehold land and buildings are included in the financial statements at a valuation undertaken on 15 September 1994 by Rees & Chesterton, a firm of independent surveyors, in accordance with the RICS 'Appraisal and Valuation Manual'. The freehold land was valued in the financial statements at estimated realisable value, and the long leasehold land and buildings at open market value with existing use. The valuation has not been updated since 1994. The historical cost and depreciation of the revalued long leasehold land and buildings is £369,000 (2018: £369,000) cost and £161,000 (2018: £157,000) accumulated depreciation.

A provision for the impairment of press cell assets was made in 2017 totalling £674,000 of which £54,000 was credited back to P&L in 2018.

11 STOCKS

	2019	2018
	£000	£000
Raw materials and consumables	326	775
Work in progress	404	359
Finished goods	244	350
	974	1,484

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£000	£000
Trade debtors	1,591	1,379
Amounts due from group undertakings	5	-
Prepayments and accrued income	32	33
	1,628	1,412

13 CASH AT BANK AND IN HAND

	2019 £000	2018 £000
Cash at bank and in hand	101	248

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £000	2018 £000
Bank loans and overdrafts	1,052	607
Trade creditors	658	806
Amounts owed to group undertakings	563	54
Other taxation and social security costs	137	39
Other creditors	15	14
Accruals and deferred income	297	294
	2,722	1,814

On 6th August 2018, the company entered into a new and improved invoice discounting facility with its bank. At the end of the year £1,052,000 (2018:£607,000) had been advanced against this facility.
There is no interest charged on the intercompany balances. The balance is repayable on demand.

15 FINANCIAL INSTRUMENTS

	Due within one year	
	2019 £000	2018 £000
Financial Assets		
Assets that are debt instruments measured at amortised cost	1,591	1,379
	1,591	1,379
Financial Liabilities		
Liabilities measured at amortised cost	(2,722)	(1,814)
	(2,722)	(1,814)

Financial assets measured at fair value through profit or loss comprise foreign exchange derivative contracts.
Financial assets measured at amortised cost comprise trade debtors and other debtors.
Financial Liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.
Financial liabilities measured at fair value through profit and loss comprise foreign exchange derivative contracts.

16 DEFERRED TAXATION

	2019 £000	2018 £000
At 1 January	(75)	(25)
Adjustment in respect of prior years	-	(124)
Charged to the statement of comprehensive income	75	71
Adjustments from previous periods	-	3
At 31 December	-	(75)

16 DEFERRED TAXATION (Continued)

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the company.

The provision is made up as follows:

	2019 £000	2018 £000
Fixed asset timing differences	(283)	(251)
Short term timing differences - trading	4	2
Losses	279	174
Deferred tax liability	-	(75)

17 CALLED UP SHARE CAPITAL

	Nominal value	2019 Number	2019 £000	2018 £000
Allotted, called up and fully paid:				
A Ordinary shares	£1 each	360	360	360
B Ordinary shares	£1 each	360	360	360
10% Preferred shares	£1 each	280	280	280
			1,000	1,000

The preferred shares are convertible, at par, into "C" ordinary shares which will rank pari passu with all other ordinary shares. The preferred shares are non-voting except in certain circumstances which relate to the specific entitlement of preferred shareholders.

The preferred shares have a preferential right to a return of capital and rank equally with the ordinary shareholders subject to a maximum of £1,000 per share on a distribution or a winding-up.

18 RESERVES

The statement of comprehensive income account represents the accumulated profits, losses and distributions of the company.

The share premium reserve records the amount above the nominal value received for shares sold, less transaction costs.

The revaluation reserve relates to the revaluation of properties which last occurred on 15 September 1994 as mentioned on page 10.

19 CAPITAL COMMITMENTS

	2019 £000	2018 £000
Amounts contracted for but not provided in these financial statements	-	-

20 PENSION COMMITMENTS

The company operates a defined contribution retirement benefit scheme for all qualifying employees. All amounts have been calculated in accordance with the rules of the scheme.

A pension cost charge for the year of £89,000 (2018: £96,000) has been incurred by the company in respect of the year. The assets of the scheme are held separately from those of the company and the fund is administered independently of the company.

21 COMMITMENTS UNDER OPERATING LEASES

At 31 December the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Amounts payable:		
Later than one year but not later than five years	38	44
Later than five years	18	18
Total	56	62

22 RELATED PARTY TRANSACTIONS

During the year to 31 December 2019 the company had the following related party transactions:-

	see note below	2019 £000	2018 £000
Service and management charges from Wolff Steel Limited during the period 1st January and 5th August 2018.	(a), (c)	-	23
Service and management charges from Tata Steel Packaging UK Limited, during the period 1st January and 5th August 2018.	(b), (c)	-	193
Purchases from Tata Steel UK Limited on normal trading terms during the period 1st January and 5th August 2018.	(b), (c)	-	2,250

(a) Between 1st January and 5th August 2018 Wolff Steel Limited held 360,000 "A" ordinary shares, representing 36% of the company's called up share capital.
(b) Between 1st January and 5th August 2018 Tata Steel UK Limited held 360,000 "B" ordinary shares and 280,000 10% preference shares, representing 64% of the company's called up share capital.
(c) There were no outstanding amounts to Tata Steel UK or Wolff Steel at 31st December 2018.

23 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate and ultimate parent company is Tinmasters Group Limited, a company incorporated in England and Wales. Tinmasters Group Limited is parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements.

The consolidated financial statements of Tinmasters Group Limited for the financial year ended 31 December 2019 will be available from its registered address at Bryntywod, Swansea SA5 7LN.

As at 31 December 2019, the ultimate controlling party was J L D Crawford, by virtue of her majority interest in the issued ordinary share capital of the company.

24 EVENT OCCURING AFTER THE BALANCE SHEET DATE

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus pandemic has severely restricted the level of economic activity around the world. In response to this coronavirus pandemic, the governments of many countries have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The Company has taken decisive action to protect the business and preserve cash. As the global pandemic progressed, the business deployed its contingency plans in full response to COVID-19. A Covid Team was established, drawn from the Group's senior management. The team met weekly to assess the range of issues. They scoped and rapidly put in place a plan of action, assigning activities and responsibilities. The team continues to meet regularly to monitor progress and to consider whether to adapt and/or flex the plan of action in light of ongoing developments.

In response to this the company has implemented business continuity plans for staff to work from home without noticeable impact on service delivery and operations. A Covid-19 Risk Assessment has been completed and appropriate control measures have been implemented to reduce transmission risk. Virtual Board meetings have been held on a regular basis. The Board's agenda covers team members, customers, financial health, operations, governance and strategy.

Although the impact of Covid-19 on the group has not been as marked as with many other organisations, the full effect on the business is still unfolding. We are seeing different levels of impact depending on customers vertical integration, market sector and geography.

Elements of the business' financing are subject to financial covenants. At the year-end, the business had significant headroom to these covenants. However, given that we are not currently able to assess the full year impact of COVID-19, we have had discussions with lenders and have successfully negotiated waivers for any possible technical breach that may result.

The Company has assessed the coronavirus pandemic as a non-adjusting post balance sheet event. The Company has undertaken a detailed review of the potential impacts of COVID-19 and continues to monitor developments closely.