
SIG COMBIBLOC LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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SIG COMBIBLOC LIMITED

COMPANY INFORMATION

Director	Malcolm Allum
Registered number	01146077
Registered office	Alexander House 1 Mandarin Road Rainton Bridge Business Park Houghton Le Spring Tyne and Wear DH4 5RA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Central Square South Orchard Street Newcastle NE1 3AZ

SIG COMBIBLOC LIMITED

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SIG COMBIBLOC LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his report and the audited financial statements of SIG Combibloc Limited ("the Company") for the year ended 31 December 2019.

Principal activities

The principal activities of the Company are the sales support for liquid packaging cartons, spouts and machinery for the forming and filling of the cartons. Furthermore the Company performs technical service and installations of filling machines.

Results and dividends

The profit for the year, after taxation, amounted to £1,895,000 (2018: £2,000,000).

No interim dividend was paid during the year (2018: £Nil). A final dividend was paid during the year of £2,000,000 (2018: £2,343,000). The director does not recommend the payment of a final dividend for the year ended 31 December 2019.

Director

The director who served during the year, and up to the date of signing this report, was:

Malcolm Allum

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements of SIG Combibloc Limited ("the Company") in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements of SIG Combibloc Limited ("the Company") for each financial year. Under that law the director has prepared the financial statements 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). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is 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 to enable him to ensure that the financial statements of SIG Combibloc Limited ("the Company") comply with the Companies Act 2006.

SIG COMBIBLOC LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Director confirmations

In the case of the director in office at the date the Director' Report is approved:

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

Strategic report

The Company has taken advantage of the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

Subsequent events

In early 2020 the global pandemic of Coronavirus (COVID-19) has seen unprecedented responses by governments around the world to introduce measures to contain the spread of this virus to protect their citizens. During the initial "lockdown" in the UK, the director of the Company took action to have the employees work from home where possible and take protective measures when this is not possible. An employee with the inability to work was furloughed due to living with a high risk household member, but returned after 9 weeks. Thus far, there have been no confirmed cases of COVID-19 in our UK employees.

Initially, customers who provided food services or export businesses were seen to experience a sales drop, however, retailer businesses actually increased their demand due to higher "at home" consumption. For the second lockdown imposed from 5th November, 2020, the Director does not envisage a worse or lasting material effect on the business, given the balance of exposure to Retailer and Food Service customers, the fact that this is a less restrictive lockdown than the first (e.g. Schools and Universities remain open) plus the expectation of improved COVID treatments and even a vaccine becoming available in the first half of 2021. Preparation for the execution of key projects planned in 2021 continues apace, with agreements signed and deliveries planned. Overall, at the end of October 2020, SIG Combibloc Limited were slightly above budgeted volumes in terms of EBITDA but will expect to see COVID-19 related impacts reducing back to budgeted level.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board and signed on its behalf.



Malcolm Allum
Director

Date: 30th NOVEMBER 2020

Independent auditors' report to the members of SIG Combibloc Limited

Report on the audit of the financial statements

Opinion

In our opinion, SIG Combibloc 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 profit for the year then ended;
- 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 Director's report and Financial statements (the "Annual Report"), which comprise: the Statement of Financial Position 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 respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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 Director's 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.

SIG COMBIBLOC LIMITED

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's 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 Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's Responsibilities Statement, the director is 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 director is 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 director is 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 director either intends 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 director's 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 director was not entitled to: take advantage of the small companies exemption in preparing the Director's Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Craig Willis (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
30 November 2020

SIG COMBIBLOC LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	4,301	4,303
Gross profit		4,301	4,303
Administrative expenses		(2,031)	(1,920)
Operating profit	5	2,270	2,383
Interest receivable and similar income	9	69	91
Profit before tax		2,339	2,474
Tax on profit	10	(444)	(474)
Profit for the financial year		1,895	2,000

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 8 to 22 form part of these financial statements.

SIG COMBIBLOC LIMITED
REGISTERED NUMBER: 01146077

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	12	13	281
Current assets			
Debtors: amounts falling due within one year	13	3,817	3,562
Cash at bank and in hand		109	93
		<u>3,926</u>	<u>3,655</u>
Creditors: amounts falling due within one year	14	(544)	(436)
Net current assets		<u>3,382</u>	<u>3,219</u>
Total assets less current liabilities		<u>3,395</u>	<u>3,500</u>
Net assets		<u>3,395</u>	<u>3,500</u>
Capital and reserves			
Called up share capital	16	1,500	1,500
Profit and loss account		1,895	2,000
Total equity		<u>3,395</u>	<u>3,500</u>

The financial statements on pages 5 to 22 were approved by the board of directors on 30/11/2020 and signed on its behalf by:



Malcolm Allum
Director

The notes on pages 8 to 22 form part of these financial statements.

SIG COMBIBLOC LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	1,500	2,343	3,843
Comprehensive income for the year			
Profit for the year	-	2,000	2,000
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,343)	(2,343)
At 31 December 2018	1,500	2,000	3,500
Comprehensive income for the year			
Profit for the year	-	1,895	1,895
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,000)	(2,000)
At 31 December 2019	1,500	1,895	3,395

The notes on pages 8 to 22 form part of these financial statements.

SIG COMBIBLOC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

SIG Combibloc Limited is a private company limited by shares incorporated in the United Kingdom. The registered address is Alexander House, 1 Mandarin Road, Rainton Bridge Business Park, Houghton Le Spring, Tyne and Wear, DH4 5RA.

The principal activities of the Company are the sales support for liquid packaging cartons, spouts and machinery for the forming and filling of the cartons. Furthermore the Company performs technical service and installations of filling machines.

2. Accounting policies

2.1 Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in GBP (£) and rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

These financial statements present information about the Company as an individual undertaking.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SIG Combibloc Group AG, as at 31 December 2019 and these financial statements may be obtained from SIG Combibloc Group AG, Laufengasse 18, 8212 Neuhausen, Switzerland.

SIG COMBIBLOC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The Company has maintained its day to day working capital requirements despite the current economic environment with the current Coronavirus (COVID-19) pandemic. The Company's forecasts and projections show that the company should be able to operate solvently within the levels of its current facilities. The director has reviewed the nature of the business and has confirmation from the parent company of its intention to continue to operate under the current business model and settle invoices inline with intercompany terms. In addition, whilst not forecast to be required, should further support be needed, the parent company has confirmed its intention and ability to provide funding. Therefore, the director considers it appropriate to adopt the going concern basis for preparing these financial statements.

2.4 Turnover

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

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The role of SIG Combibloc Limited is to provide SIG Combibloc GmbH (both affiliates and subsidiaries within SIG Combibloc Group AG) with potential third party customer contracts.

The Company also provides technical support to its affiliate such as:

- Repair and maintenance services.
- Installation services at third party customer's premises.
- Modification services of existing equipment in relation to technical upgrades which are deemed mandatory.
- Optimisation services of existing equipment (only when requested by third party customer's).
- Disassemble existing filler lines at third party customer's premises.

SIG Combibloc Limited is remunerated through a commission fee charged as a percentage of total turnover which relates to existing contracts and annually extended contracts during the financial year. A service fee is also paid to the Company for support services as listed above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Tangible assets

Tangible assets under the cost model 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.

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.

Depreciation is provided on the following basis:

Plant and machinery	-	7.5% to 33.3%
Motor vehicles	-	7.5% to 33.3%
Office equipment	-	7.5% to 33.3%

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 in profit or loss.

2.6 Impairment of non-financial assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

SIG COMBIBLOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 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.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.10 Creditors

Short-term creditors are measured at the transaction 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.

2.11 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 its parent or with members of the same group that are wholly owned.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 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 profit or loss 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 profit or loss within 'other operating income'.

2.13 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.

These amounts are recognised in the Statement of Changes in Equity.

2.14 Operating leases: the Company as lessee

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

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

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.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SIG COMBIBLOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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. The resulting accounting estimates will, by definition, seldom equate to actual results.

In preparing these financial statements, the director has had to make the following judgements:

- Determine whether leases entered into by the Company, either as a lessor or a lessee, are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are any indicators of impairment of the Company's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that units

Deferred tax assets that are presented in the stats are referring to depreciation on property, plant and equipment which are granted over a longer period for tax accounts and which are expected to be used within the next approximate 6 years.

There were no other material judgements or estimates in the preparation of these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Third party sales - rental income	6	-
Sales agent commission	4,295	4,303
	<u>4,301</u>	<u>4,303</u>
	2019 £000	2018 £000
United Kingdom	3,356	3,356
Ireland	945	947
	<u>4,301</u>	<u>4,303</u>

SIG COMBIBLOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Operating profit

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

	2019	2018
	£000	£000
Depreciation of tangible assets	172	256
Profit on disposal of tangible assets	(2)	-
Exchange differences	135	7
Other operating lease rentals	230	44
	<u>230</u>	<u>44</u>

6. Auditors' remuneration

	2019	2018
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16	14
	<u>16</u>	<u>14</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

	2019	2018
	£000	£000
Wages and salaries	834	764
Social security costs	96	102
Other pension costs	152	168
	<u>1,082</u>	<u>1,034</u>

The average monthly number of employees, including the director, during the year was as follows:

	2019	2018
	No.	No.
Average number of employees	14	13
	<u>14</u>	<u>13</u>

SIG COMBIBLOC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Director's remuneration

	2019 £000	2018 £000
Director's emoluments	112	131
Company contributions to defined contribution pension schemes	39	34
	<u>151</u>	<u>165</u>

9. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from group companies	<u>69</u>	<u>91</u>

10. Tax on profit

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	427	459
Adjustments in respect of previous years	3	-
Total current tax	<u>430</u>	<u>459</u>
Deferred tax		
Origination and reversal of timing differences	17	15
Adjustments in respect of previous years	(3)	-
Total deferred tax	<u>14</u>	<u>15</u>
Tax on profit	<u>444</u>	<u>474</u>

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10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £000	2018 £000
Profit before tax	2,339	2,474
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	444	470
Effects of:		
Expenses not deductible for tax purposes	2	8
Re-measurement of deferred tax - change in UK tax rate	(2)	(2)
Adjustments in respect of previous years - current tax	3	-
Adjustments in respect of previous years - deferred tax	(3)	-
Other timing difference	-	(2)
Total tax charge for the year	444	474

Factors that may affect future tax charges

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2018: 17%).

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020), was enacted as part of the Finance Act 2015. The deferred tax liabilities are shown at 17% (2018: 17%) being the rate expected to apply to the reversal of the liability. The Chancellor delivered in the March 2020 Budget that the proposed reduction in the UK corporation tax rate to 17% on 1 April 2020 had been postponed.

As this postponement had not been substantively enacted at 31 December 2019 this is considered to be a non-adjusting post balance sheet event and no adjustment has been made to deferred tax as at this date.

SIG COMBIBLOC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Dividends

	2019 £000	2018 £000
Ordinary		
Final 2019 paid: £1.33 per £1 share	2,000	-
Final 2018 paid: £1.56 per £1 share	-	2,343
Total dividends paid	2,000	2,343

The total aggregate amount of dividends proposed during the year was £2,000,000 (2018: £2,343,000).

In September 2020, a dividend was both declared and paid for an amount of £1,895,000.

12. Tangible assets

	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost				
At 1 January 2019	7,194	51	59	7,304
Additions	-	-	2	2
Disposals	(1,979)	-	(59)	(2,038)
At 31 December 2019	5,215	51	2	5,268
Accumulated depreciation				
At 1 January 2019	6,928	51	44	7,023
Charge for the year	172	-	-	172
Disposals	(1,896)	-	(44)	(1,940)
At 31 December 2019	5,204	51	-	5,255
Net book value				
At 31 December 2019	11	-	2	13
At 31 December 2018	266	-	15	281

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Debtors: amounts falling due within one year

	2019	2018
	£000	£000
Trade debtors	1	-
Amounts owed by group undertakings	3,508	3,254
Other debtors	74	38
Deferred taxation	208	222
Prepayments and accrued income	26	48
	<u>3,817</u>	<u>3,562</u>

Amounts due from fellow subsidiary undertakings are unsecured, repayable on demand and accrue interest at rates between 0% and 4.25%.

No impairment loss was recognised against trade debtors (2018: £Nil)

14. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	173	57
Amounts owed to group undertakings	1	-
Corporation tax	165	177
Other taxation and social security	57	36
Accruals and deferred income	148	166
	<u>544</u>	<u>436</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Deferred taxation

	2019 £000	2018 £000
At beginning of year	222	237
Charged to profit or loss	(14)	(15)
At end of year	208	222
	2019 £000	2018 £000
Accelerated capital allowances	205	219
Other timing differences	3	3
	208	222

16. Called up share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
1,500,000 (2018: 1,500,000) Ordinary shares of £1.00 each	1,500	1,500

17. Pension commitments

The Company operates a defined contributions pension scheme. The pension cost charge represents contributions made by the Company to the scheme and amounted to £123,836 (2018: £123,136). The unpaid contributions included within Accruals at 31 December 2019 were £5,109 (2018: £6,411).

18. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £000	2018 £000
Not later than 1 year	218	96
Later than 1 year and not later than 5 years	170	115
	388	211

SIG COMBIBLOC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. Related party transactions

The Company has taken advantage of the exemption permitted by Financial Reporting Standard 102 Section 33.1A Related Party Disclosures and not disclosed transactions with group companies on the grounds that 100% of the voting rights in the Company are controlled within the group and the Company is included in the consolidated financial statements of the group.

20. Subsequent events

In early 2020 the global pandemic of Coronavirus (COVID-19) has seen unprecedented responses by governments around the world to introduce measures to contain the spread of this virus to protect their citizens. During the initial "lockdown" in the UK, the director of the Company took action to have the employees work from home where possible and take protective measures when this is not possible. An employee with the inability to work was furloughed due to living with a high risk household member, but returned after 9 weeks. Thus far, there have been no confirmed cases of COVID-19 in our UK employees.

Initially, customers who provided food services or export businesses were seen to experience a sales drop, however, retailer businesses actually increased their demand due to higher "at home" consumption. For the second lockdown imposed from 5th November, 2020, the Director does not envisage a worse or lasting material effect on the business, given the balance of exposure to Retailer and Food Service customers, the fact that this is a less restrictive lockdown than the first (e.g. Schools and Universities remain open) plus the expectation of improved COVID treatments and even a vaccine becoming available in the first half of 2021. Preparation for the execution of key projects planned in 2021 continues apace, with agreements signed and deliveries planned. Overall, at the end of October 2020, SIG Combibloc Limited were slightly above budgeted volumes in terms of EBITDA but will expect to see COVID-19 related impacts reducing back to budgeted level.

21. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of its immediate parent, SIG Euro Holding GmbH, a company incorporated in Germany.

At 31 December 2019, the intermediate parent entity was SIG Combibloc Group AG, a company incorporated in Switzerland. This company is both the smallest and largest entity which prepares the consolidated accounts for which SIG Combibloc Limited is included.

In the opinion of the director, at 31 December 2019, SIG Combibloc Group AG, a company incorporated in Switzerland, is the ultimate parent and controlling party. Its financial statements are publicly available at the company's address Laufengasse 18, 8212 Neuhausen am Rheinfall, Switzerland.

All shares of SIG Combibloc Limited, owned by SIG Euro Holding GmbH are pledged as a security for the bank debt. With the new financing facilities granted to SIG Group on June 18, 2020, the pledge of SIG Combibloc Limited shares was completely released.