

**COMPANY REGISTRATION NO. 07331961 (England and Wales)**

**TINMASTERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**TINMASTERS LIMITED**

**COMPANY INFORMATION**

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|                  |                |                              |
|------------------|----------------|------------------------------|
| <b>Directors</b> | J L D Crawford |                              |
|                  | D J P Davies   |                              |
|                  | C T Edge       | (Appointed 26 February 2020) |
|                  | E Francis      | (Appointed 16 December 2020) |
|                  | R O'Neill      |                              |

|                       |          |
|-----------------------|----------|
| <b>Company number</b> | 07331961 |
|-----------------------|----------|

|                          |  |
|--------------------------|--|
| <b>Registered office</b> | Tinmasters Bryntwyod<br>Llangyfelach<br>Swansea<br>SA5 7LN |
|--------------------------|--|

|                |   |
|----------------|---|
| <b>Auditor</b> | UHY Hacker Young<br>Lanyon House<br>Mission Court<br>Newport<br>South Wales<br>United Kingdom<br>NP20 2DW |
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**TINMASTERS LIMITED**

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## **TINMASTERS LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present the strategic report for the year ended 31 December 2020.

#### **Fair review of the business**

The company operates primarily within the food and drink sector of the metal packaging industry.

On 1 June 2020, the trade was moved to Tinmasters Swansea Limited, a fellow group company; plant and machinery was physically moved from Caldicot to Swansea and Caldicot site was mothballed; this resulted in significant restructuring costs.

The Board is pleased with the progress made during 2020 which is now in the next phase of its strategic integration of the Afon Tinplate into Tinmasters. This enabled Tinmasters to adapt to the significant structural market changes in 2019 and those resulting from Covid-19 in 2020. The majority of the costs borne by the business in 2020 were exceptional costs – they represented the cost of redundancies in the company as well as the significant cost of transferring the machinery from Caldicot to Swansea. Despite Brexit and the continued issues relating to Covid-19, the sale of the Caldicot building in February and the transition to operating from the Swansea site will lead to a Net profit and a healthy EBITDA in 2021.

The business has now re-settled its financing position and is operating with a good level of cash with cash headroom that allows the business to take advantage of any supply chain opportunities that comes its way. The positive environmental benefits of using tinplate rather than any other non environmentally friendly packaging options are standing the business in good stead for future growth.

The major decision to close Caldicot and move everything to Swansea during 2020 has proved to be a good business decision. With everyone on one site it has been much easier to control costs. From 2021 the Tinmasters Swansea Limited and Tinmasters Limited trading activity is solely transacting through one business – Tinmasters Limited. This has significantly reduced administration, particularly the inter company transactions that were previously taking place.

The company's revenue for the year ended 31 December 2020 was £5,252,136 compared to £12,736,798 in the year ended 31 December 2019.

Operating loss was £1,763,994 for the year ended 31 December 2020 compared to the operating profit of £742,396 for the year ended 31 December 2019.

At 31 December 2020, the company has net assets of £5,531,784 (2019: £7,254,752).

**TINMASTERS LIMITED**

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 GBP exchange rate. This is 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 materials. Reporting systems are in place to ensure that the Board is apprised 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 healthy headroom above the anticipated maximum requirement as projected in working capital cycle forecasts.

**b. Operational Risk Management:**

*Customer concentration* - The company continues to address 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.

**TINMASTERS LIMITED**

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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*Brexit* - The Brexit deal came into force on the 30th of December 2020. Prior to this Since the company's management team had been continually assessing the adequacy of its contingency plans. Advice was, and has been taken 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 were 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. Whilst there was uncertainty and significantly more administration to deal with, the company's relationship with its customers and suppliers remains strong, and systems and structures have now been fully implemented to ensure there is no disruption to its core business.

*Environmental* - In accordance with the company's corporate social responsibility commitments, all activities are planned so as to limit environmental risks and adverse impacts. The continued efficient conduct of such activities is therefore dependent on compliance, to the regulator's satisfaction, with the specific terms of the permits which have been issued. Non-compliance with permit terms could result in the prohibition of certain activities, thereby adversely affecting the company's ability to conduct those activities. To effectively manage these situations and minimise risks of non-compliance the Board oversees the operations of a Health, Safety, Hygiene and Environment, regulatory compliance Committee, which consists of a number of senior managers within the company who have specific experience and responsibilities for these activities.

*Covid-19* - 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 company'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.

On behalf of the board

J L D Crawford  
**Director**

8 September 2021

## **TINMASTERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### **Principal activities**

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

#### **Results and dividends**

The results for the year are set out on page 9; a fair review of the business is set out in the Strategic Report on page 1.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J L D Crawford

D J P Davies

C T Edge (Appointed 26 February 2020)

E Francis (Appointed 16 December 2020)

R O'Neill

Mr M J Tuffery (Resigned 30 October 2020)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Auditor**

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 accounting estimates that are reasonable and prudent;
- 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.

**TINMASTERS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

J L D Crawford  
**Director**

8 September 2021

## **TINMASTERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TINMASTERS LIMITED**

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#### **Opinion**

We have audited the financial statements of Tinmasters Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **TINMASTERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TINMASTERS LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatements, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**TINMASTERS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF TINMASTERS LIMITED**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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

**Mr John Griffiths (Senior Statutory Auditor)**  
**For and on behalf of UHY Hacker Young**

9 September 2021

**Chartered Accountants**  
**Statutory Auditor**

Newport  
South Wales  
United Kingdom

**TINMASTERS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Notes            | 2020<br>£   | 2019<br>£   |
|--|------------------|-------------|-------------|
| <b>Turnover</b>  | <b>3</b>         | 5,252,136   | 12,736,798  |
| Cost of sales  |                  | (4,343,209) | (7,794,474) |
| <b>Gross profit</b>  |                  | 908,927     | 4,942,324   |
| Distribution costs   |                  | (147,079)   | (360,985)   |
| Administrative expenses including exceptional items totalling £1,527,910 (2019: £nil)            | <b>4</b>         | (2,551,156) | (3,838,943) |
| Other operating income   |                  | 25,314      | -           |
| <b>Operating (loss)/profit</b>   | <b>5</b>         | (1,763,994) | 742,396     |
| Interest payable and similar expenses including exceptional items totalling £83,330 (2019: £nil) | <b>4 &amp; 8</b> | (293,643)   | (110,466)   |
| <b>(Loss)/profit before taxation</b>   |                  | (2,057,637) | 631,930     |
| Tax on (loss)/profit   | <b>9</b>         | 334,669     | (50,917)    |
| <b>(Loss)/profit for the financial year</b>  |                  | (1,722,968) | 581,013     |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**TINMASTERS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | <b>2020</b>        | <b>2019</b>    |
|--|--------------------|----------------|
|  | <b>£</b>           | <b>£</b>       |
| <b>(Loss)/profit for the year</b>              | (1,722,968)        | 581,013        |
| <b>Other comprehensive income</b>              | -                  | -              |
| <b>Total comprehensive income for the year</b> | <u>(1,722,968)</u> | <u>581,013</u> |

**TINMASTERS LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2020**

|  |              | <b>2020</b>        |                  | <b>2019</b>        |                  |
|--|--------------|--------------------|------------------|--------------------|------------------|
|  | <b>Notes</b> | <b>£</b>           | <b>£</b>         | <b>£</b>           | <b>£</b>         |
| <b>Fixed assets</b>  |              |                    |                  |                    |                  |
| Tangible assets  | <b>11</b>    |                    | 5,477,980        |                    | 6,626,738        |
| <b>Current assets</b>  |              |                    |                  |                    |                  |
| Stocks   | <b>12</b>    | -                  |                  | 841,677            |                  |
| Debtors  | <b>14</b>    | 4,876,093          |                  | 4,708,247          |                  |
| Cash at bank and in hand                                       |              | 107,750            |                  | 303,690            |                  |
|  |              | <u>4,983,843</u>   |                  | <u>5,853,614</u>   |                  |
| <b>Creditors: amounts falling due within one year</b>          | <b>15</b>    | <u>(1,134,113)</u> |                  | <u>(3,334,625)</u> |                  |
| <b>Net current assets</b>                                      |              |                    | 3,849,730        |                    | 2,518,989        |
| <b>Total assets less current liabilities</b>                   |              |                    | <u>9,327,710</u> |                    | <u>9,145,727</u> |
| <b>Creditors: amounts falling due after more than one year</b> | <b>16</b>    |                    | (3,199,442)      |                    | (1,413,000)      |
| <b>Provisions for liabilities</b>                              |              |                    |                  |                    |                  |
| Deferred tax liability   | <b>19</b>    | 596,484            |                  | 477,975            |                  |
|  |              | <u>(596,484)</u>   |                  | <u>(477,975)</u>   |                  |
| <b>Net assets</b>  |              |                    | <u>5,531,784</u> |                    | <u>7,254,752</u> |
| <b>Capital and reserves</b>                                    |              |                    |                  |                    |                  |
| Called up share capital  | <b>21</b>    |                    | 295,001          |                    | 295,001          |
| Profit and loss reserves                                       |              |                    | 5,236,783        |                    | 6,959,751        |
| <b>Total equity</b>  |              |                    | <u>5,531,784</u> |                    | <u>7,254,752</u> |

The financial statements were approved by the board of directors and authorised for issue on 8 September 2021 and are signed on its behalf by:

J L D Crawford

**Director**

**Company Registration No. 07331961**

**TINMASTERS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | <b>Share capital</b> | <b>Profit and loss<br/>reserves</b> | <b>Total</b>     |
|--|----------------------|-------------------------------------|------------------|
|  | <b>£</b>             | <b>£</b>                            | <b>£</b>         |
| <b>Balance at 1 January 2019</b>                   | 295,001              | 6,378,738                           | 6,673,739        |
| <b>Year ended 31 December 2019:</b>                |                      |                                     |                  |
| Profit and total comprehensive income for the year | -                    | 581,013                             | 581,013          |
|  | <hr/>                | <hr/>                               | <hr/>            |
| <b>Balance at 31 December 2019</b>                 | 295,001              | 6,959,751                           | 7,254,752        |
| <b>Year ended 31 December 2020:</b>                |                      |                                     |                  |
| Loss and total comprehensive income for the year   | -                    | (1,722,968)                         | (1,722,968)      |
|  | <hr/>                | <hr/>                               | <hr/>            |
| <b>Balance at 31 December 2020</b>                 | <u>295,001</u>       | <u>5,236,783</u>                    | <u>5,531,784</u> |

## **TINMASTERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

##### **Company information**

Tinmasters Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tinmasters Bryntwyod, Llangyfelach, Swansea, SA5 7LN.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Tinmasters Group Limited. These consolidated financial statements are available from its registered office, Tinmasters Bryntwyod, Llangyfelach, Swansea, SA5 7LN.

##### **1.2 Going concern**

In assessing the company's ability to continue as a going concern, the directors have reviewed the company's cashflow and profit forecasts for the foreseeable future and considered the company'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 worst case scenario for the ongoing impact of Covid -19 and Brexit. As at 31 December 2020, the company had net current assets of £3,849,730 (2019: 2,518,989).

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.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies (Continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.5 Intangible fixed assets**

Intangible assets are initially recognised at cost. after recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Negative goodwill arising on business combinations, representing the excess of fair value of the fixed assets acquired over the fair value of the consideration, is capitalised.

Negative goodwill is amortised by equal annual instalments over its estimated useful life, which is driven by the underlying non-monetary assets, presently considered to be 7 years. Amortisation of goodwill is provided from the date of acquisition.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when the 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 the profit or loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |                            |
|-----------------------------|----------------------------|
| Freehold land and buildings | 25 years straight line     |
| Plant and equipment         | 3 - 25 years straight line |
| Fixtures and fittings       | 3 - 10 years straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

**1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.9 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**Other financial liabilities**

Derivatives, including interest rate swaps and 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 in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**1.13 Retirement benefits**

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.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Going concern**

In assessing the company's ability to continue as a going concern, the directors have reviewed the company's cashflow and profit forecasts for the foreseeable future and considered the company'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 worst case scenario for the ongoing impact of Covid -19 and Brexit. As at 31 December 2020, the company had net current assets of £3,849,730 (2019: 2,518,989).

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.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

**Useful economic lives of fixed assets**

The annual depreciation charge for tangible fixed assets is sensitive to change 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.

**Stock valuation**

Work in progress and finished goods are valued at the directors' best estimate on the cost of bringing inventories to their present location and condition including the costs of purchases and estimated costs of conversion. The costs of conversion directly relate to production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The costs of conversion are based on the board's best estimate of direct production costs and overhead absorbed.

For work in progress the estimate is based on the number of passes completed out of those required through the printing machine. The valuation clearly involves significant judgement.

**3 Turnover and other revenue**

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

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**3 Turnover and other revenue (Continued)**

|                                  | 2020          | 2019     |
|----------------------------------|---------------|----------|
|                                  | £             | £        |
| <b>Other significant revenue</b> |               |          |
| Grants received                  | 25,314        | -        |
|                                  | <u>25,314</u> | <u>-</u> |

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 Exceptional items**

|  | 2020             | 2019     |
|--|------------------|----------|
|  | £                | £        |
| <b>Expenditure included within administrative expenses</b>               |                  |          |
| Restructuring costs  | 1,527,910        | -        |
|  | <u>1,527,910</u> | <u>-</u> |
| <b>Expenditure included within interest payable and similar expenses</b> |                  |          |
| Restructuring costs  | 83,330           | -        |
|  | <u>83,330</u>    | <u>-</u> |

During the year, a decision was made to integrate the sites of Tinmasters Limited and Tinmasters Swansea Limited to one location in Swansea. Therefore the site in Caldicot was closed, and the company incurred exceptional costs to move all plant and machinery from Caldicot to Swansea, make redundancies and other restructuring costs.

**5 Operating (loss)/profit**

|  | 2020             | 2019           |
|--|------------------|----------------|
|  | £                | £              |
| Operating (loss)/profit for the year is stated after charging/(crediting):   |                  |                |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | (33,405)         | 14,822         |
| Research and development costs   | 4,500            | 9,000          |
| Government grants  | (25,314)         | -              |
| Fees payable to the company's auditor for the audit of the company's financial statements                            | 11,789           | 26,399         |
| Depreciation of owned tangible fixed assets  | 396,694          | 433,169        |
| Profit on disposal of tangible fixed assets  | (266,086)        | -              |
| Operating lease charges  | 58,078           | 66,939         |
|  | <u>1,673,265</u> | <u>540,329</u> |

**TINMASTERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

|                          | <b>2020</b>   | <b>2019</b>   |
|--------------------------|---------------|---------------|
|                          | <b>Number</b> | <b>Number</b> |
| Selling & Administration | 7             | 7             |
| Production               | 19            | 63            |
| Total                    | <u>26</u>     | <u>70</u>     |

Their aggregate remuneration comprised:

|                       | <b>2020</b>      | <b>2019</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 1,754,320        | 3,079,992        |
| Social security costs | 133,610          | 327,132          |
| Pension costs         | 61,688           | 145,876          |
|                       | <u>1,949,618</u> | <u>3,553,000</u> |

**7 Directors' remuneration**

|   | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Remuneration for qualifying services                          | 216,271        | 434,250        |
| Company pension contributions to defined contribution schemes | 12,135         | 29,240         |
|   | <u>228,406</u> | <u>463,490</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2019 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Remuneration for qualifying services                          | 97,532      | 212,000     |
| Company pension contributions to defined contribution schemes | 5,060       | 12,000      |

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8 Interest payable and similar expenses**

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Interest on bank overdrafts and loans                  | 33,258         | -              |
| Interest on invoice finance arrangements               | 6,504          | 17,446         |
| Other interest on shareholder loans                    | 73,888         | -              |
| Interest on finance leases and hire purchase contracts | 96,663         | 76,700         |
| Loan arrangement fees                                  | 83,330         | 16,320         |
|  | <u>293,643</u> | <u>110,466</u> |

**9 Taxation**

|  | <b>2020</b>      | <b>2019</b>     |
|--|------------------|-----------------|
|  | <b>£</b>         | <b>£</b>        |
| <b>Current tax</b>                                   |                  |                 |
| UK corporation tax on profits for the current period | (453,310)        | -               |
| Adjustments in respect of prior periods              | 132              | (54,000)        |
| Total current tax                                    | <u>(453,178)</u> | <u>(54,000)</u> |
| <b>Deferred tax</b>                                  |                  |                 |
| Origination and reversal of timing differences       | 62,783           | 85,000          |
| Changes in tax rates                                 | 55,701           | (9,083)         |
| Adjustment in respect of prior periods               | 25               | 29,000          |
| Total deferred tax                                   | <u>118,509</u>   | <u>104,917</u>  |
| Total tax (credit)/charge                            | <u>(334,669)</u> | <u>50,917</u>   |

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

|   | <b>2020</b>        | <b>2019</b>    |
|---|--------------------|----------------|
|   | <b>£</b>           | <b>£</b>       |
| (Loss)/profit before taxation   | <u>(2,057,637)</u> | <u>631,930</u> |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | (390,951)          | 120,067        |
| Tax effect of expenses that are not deductible in determining taxable profit                                  | 449                | 8,850          |
| Adjustments in respect of prior years   | 132                | (25,000)       |
| Effect of change in corporation tax rate  | 55,701             | (9,000)        |
| Group relief  | -                  | (44,000)       |
| Taxation (credit)/charge for the year   | <u>(334,669)</u>   | <u>50,917</u>  |

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9 Taxation (Continued)**

Following the Budget on 11 March 2020, it was announced that the corporation tax rate applicable from 1 April 2020 remained at 19%, rather than the previously enacted reduction to 17%. Therefore deferred taxes at the balance sheet date have been measured using the 19% tax rate and are reflected in these financial statements.

**10 Intangible fixed assets**

|  | <b>Negative goodwill<br/>£</b> |
|--|--------------------------------|
| <b>Cost</b>                            |                                |
| At 1 January 2020 and 31 December 2020 | (1,350,000)                    |
| <b>Amortisation and impairment</b>     |                                |
| At 1 January 2020 and 31 December 2020 | (1,350,000)                    |
| <b>Carrying amount</b>                 |                                |
| At 31 December 2020                    | -                              |
| At 31 December 2019                    | -                              |

Negative goodwill relates to the acquisition of the trade and net assets of LINPAC Metal Packaging Limited on 31 December 2010. The estimated useful economic life of negative goodwill is driven by the useful economic life of the fair value of plant and machinery and as such is being credited to the Statement of Comprehensive Income over a period of 7 years in line with the depreciation policy of these assets.

**11 Tangible fixed assets**

|                                    | <b>Freehold land<br/>and buildings</b> | <b>Plant and<br/>equipment</b> | <b>Fixtures and<br/>fittings</b> | <b>Total</b> |
|------------------------------------|--|--------------------------------|----------------------------------|--------------|
|                                    | <b>£</b>                               | <b>£</b>                       | <b>£</b>                         | <b>£</b>     |
| <b>Cost</b>                        |  |                                |                                  |              |
| At 1 January 2020                  | 560,345                                | 8,339,152                      | 220,411                          | 9,119,908    |
| Disposals                          | -                                      | (1,917,339)                    | (76,869)                         | (1,994,208)  |
| At 31 December 2020                | 560,345                                | 6,421,813                      | 143,542                          | 7,125,700    |
| <b>Depreciation and impairment</b> |  |                                |                                  |              |
| At 1 January 2020                  | 201,312                                | 2,202,637                      | 89,221                           | 2,493,170    |
| Depreciation charged in the year   | 19,606                                 | 354,924                        | 22,164                           | 396,694      |
| Eliminated in respect of disposals | -                                      | (1,209,311)                    | (32,833)                         | (1,242,144)  |
| At 31 December 2020                | 220,918                                | 1,348,250                      | 78,552                           | 1,647,720    |
| <b>Carrying amount</b>             |  |                                |                                  |              |
| At 31 December 2020                | 339,427                                | 5,073,563                      | 64,990                           | 5,477,980    |
| At 31 December 2019                | 359,033                                | 6,136,515                      | 131,190                          | 6,626,738    |

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**12 Stocks**

|                                     | <b>2020</b> | <b>2019</b>    |
|-------------------------------------|-------------|----------------|
|                                     | <b>£</b>    | <b>£</b>       |
| Raw materials and consumables       | -           | 603,361        |
| Work in progress                    | -           | 116,430        |
| Finished goods and goods for resale | -           | 121,886        |
|                                     | <u>-</u>    | <u>841,677</u> |
|                                     | <u>-</u>    | <u>-</u>       |

**13 Financial instruments**

|   | <b>2020</b> | <b>2019</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Carrying amount of financial assets</b>                |             |             |
| Debt instruments measured at amortised cost               | 4,376,508   | 4,371,953   |
| Instruments measured at fair value through profit or loss | -           | 25,683      |
|   | <u>-</u>    | <u>-</u>    |
| <b>Carrying amount of financial liabilities</b>           |             |             |
| Measured at fair value through profit or loss             |             |             |
| - Other financial liabilities                             | 3,408       | -           |
| Measured at amortised cost                                | 4,311,598   | 4,649,585   |
|   | <u>-</u>    | <u>-</u>    |

**14 Debtors**

|   | <b>2020</b>      | <b>2019</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade debtors                               | 4,798            | 1,650,261        |
| Corporation tax recoverable                 | 498,310          | 172,279          |
| Amounts owed by group undertakings          | 4,369,237        | 2,655,905        |
| Derivative financial instruments            | -                | 25,683           |
| Other debtors                               | 2,473            | 65,787           |
| Prepayments and accrued income              | 1,275            | 138,332          |
|   | <u>4,876,093</u> | <u>4,708,247</u> |
|   | <u>-</u>         | <u>-</u>         |

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**15 Creditors: amounts falling due within one year**

|                                    | Notes | 2020<br>£        | 2019<br>£        |
|------------------------------------|-------|------------------|------------------|
| Bank loans                         | 17    | -                | 991,664          |
| Obligations under finance leases   | 18    | 379,182          | 846,522          |
| Trade creditors                    |       | 124,645          | 846,791          |
| Amounts owed to group undertakings |       | -                | 5,000            |
| Taxation and social security       |       | 18,549           | 98,040           |
| Derivative financial instruments   |       | 3,408            | -                |
| Other creditors                    |       | 338,642          | 28,360           |
| Accruals and deferred income       |       | 269,687          | 518,248          |
|                                    |       | <u>1,134,113</u> | <u>3,334,625</u> |

**16 Creditors: amounts falling due after more than one year**

|                                  | Notes | 2020<br>£        | 2019<br>£        |
|----------------------------------|-------|------------------|------------------|
| Obligations under finance leases | 18    | 2,619,442        | 1,413,000        |
| Other creditors                  |       | 580,000          | -                |
|                                  |       | <u>3,199,442</u> | <u>1,413,000</u> |

**17 Loans and overdrafts**

|                         | 2020<br>£ | 2019<br>£      |
|-------------------------|-----------|----------------|
| Bank loans              | -         | 991,664        |
|                         | <u>-</u>  | <u>991,664</u> |
| Payable within one year | -         | 991,664        |
|                         | <u>-</u>  | <u>991,664</u> |

**18 Finance lease obligations**

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Future minimum lease payments due under finance leases: |                  |                  |
| Within one year   | 379,182          | 846,522          |
| In two to five years                                    | 2,026,618        | 1,413,000        |
| In over five years                                      | 592,824          | -                |
|   | <u>2,998,624</u> | <u>2,259,522</u> |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**TINMASTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**19 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | <b>Liabilities</b> | <b>Liabilities</b> |
|--------------------------------|--------------------|--------------------|
|                                | <b>2020</b>        | <b>2019</b>        |
|                                | <b>£</b>           | <b>£</b>           |
| <b>Balances:</b>               |                    |                    |
| Accelerated capital allowances | 604,151            | 495,726            |
| Tax losses                     | (4,859)            | -                  |
| Retirement benefit obligations | (923)              | (1,786)            |
| Other                          | (1,885)            | (15,965)           |
|                                | <u>596,484</u>     | <u>477,975</u>     |
|                                |                    | <b>2020</b>        |
| <b>Movements in the year:</b>  |                    | <b>£</b>           |
| Liability at 1 January 2020    |                    | 477,975            |
| Charge to profit or loss       |                    | 118,509            |
|                                |                    | <u>596,484</u>     |
|                                |                    | <u>596,484</u>     |

**20 Retirement benefit schemes**

|   | <b>2020</b>   | <b>2019</b>    |
|---|---------------|----------------|
|   | <b>£</b>      | <b>£</b>       |
| <b>Defined contribution schemes</b>                                 |               |                |
| Charge to profit or loss in respect of defined contribution schemes | 61,688        | 145,876        |
|   | <u>61,688</u> | <u>145,876</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**21 Share capital**

|                               | <b>2020</b>    | <b>2019</b>    | <b>2020</b>    | <b>2019</b>    |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | <b>Number</b>  | <b>Number</b>  | <b>£</b>       | <b>£</b>       |
| <b>Ordinary share capital</b> |                |                |                |                |
| <b>Issued and fully paid</b>  |                |                |                |                |
| Ordinary shares of £1 each    | 295,001        | 295,001        | 295,001        | 295,001        |
|                               | <u>295,001</u> | <u>295,001</u> | <u>295,001</u> | <u>295,001</u> |

**TINMASTERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****22 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2020<br>£      | 2019<br>£      |
|----------------------------|----------------|----------------|
| Within one year            | 95,929         | 95,565         |
| Between two and five years | 83,393         | 104,384        |
|                            | <u>179,322</u> | <u>199,949</u> |

**23 Related party transactions**

During the year ended 31 December 2020, the company paid management charges of £125,000 (2019: £250,000) to Chamonix Private Equity LLP, a shareholder of the company's parent undertaking.

At the year end, the company was owed £2,275,800 (2019: 562,468) by Tinmasters Swansea Limited, a fellow subsidiary.

Also at the year end, the company was owed £2,093,437 (2019: £2,093,437) by Tinmasters Group Limited, its ultimate parent company.

**24 Ultimate 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 the 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 2020 will be available from its registered address at Tinmasters Bryntwyod, Llangyfelach, Swansea, SA5 7LN.

As at 31 December 2020, the ultimate controlling party was Mrs J L D Crawford, by virtue of her majority interest in the issued ordinary share capital of the parent company.

**25 Comparative reclassification**

Certain costs have been reclassified (from cost of sales to administrative expenses) as the directors believe that this provides a more accurate reflection on the true nature of the costs.

**26 Subsequent events**

On 31 December 2020, Tinmasters Swansea Limited ceased to trade in its own right and transferred its activity to the company from 1 January 2021.

Tinmasters Swansea Limited's assets and liabilities were subsequently transferred to the company in March 2021 following a reduction in issued share capital on 24 February 2021, in Tinmasters Swansea Limited.

The Caldicot property was sold post year end for proceeds totalling £1,450,000.

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