Registered number: 07405245

CALDICOT METAL DECORATING HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CALDICOT METAL DECORATING HOLDINGS LIMITED

CONTENTS

CALDICOT METAL DECORATING HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Jane Crawford Stephen Catling (resigned 2 September 2015) Christopher Edge (appointed 2 September 2015)
Registered number	07405245
Registered office	Caldicot Metal Decorating Holdings Limited Caldicot Monmouthshire NP26 5XG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their Strategic Report for Caldicot Metal Decorating Holdings Limited (the "company") for the year ended 31 December 2015.

Business review

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

The business delivered a very solid performance during the year, responding well to changing customer demands against a challenging external environment of adverse foreign exchange rate movements.

The euro/sterling exchange rate was remarkably volatile during the year, varying in a range between €1.28/£ to €1.42/£. The average rate for the year was €1.39/£ (2014: 1.25), representing a 10% devaluation in the sterling value of revenues and profits denominated in euros compared with 2014.

Revenues for the year of £13.4m (2014: £15.5m) were therefore impacted by the weak euro. On a constant currency basis total revenue would have been £1.3m higher. Management adopts a combination of measures to mitigate the exchange risk.

To maintain its commitment to excellent levels of customer service, quality and delivery performance, the Group continues to invest heavily in plant and equipment £0.8m (2014: £0.2m).

The Group uses external verification to ensure that its systems and procedures are of the highest standard. The Group has achieved accreditation for ISO 22301:2012, ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and ISO 22000:2005. These accreditations are each audited on an annual basis.

Health, Safety and the Environment are treated as significant aspects of the business operations. Employee representatives meet monthly to review and report to the Board on all matters affecting Health and Safety, energy management and noise reduction.

The Group continues to develop its technical capabilities, especially in relation to legislative changes which relate to materials used within the printing process. As a result the Group has benefited from R&D tax credits for the years 2013 & 2014, which have been surrendered against 2015 profits so reducing tax liabilities for the year.

No material changes in accounting standards have had a significant impact on the Group accounts for 2015. The accounts have been prepared under FRS 102 for the first time, having previously complied with UK GAAP. Transition adjustments to 2014's comparative figures are detailed in the notes to the accounts.

The Consolidated Statement of Comprehensive Income for the financial year and 2014 comparative year is shown on page 8. The Group achieved an operating profit of £2,420,000 (2014: £3,807,000) in the year.

The Directors did recommend and paid a dividend of £500,000 during the financial year (2014: £2,100,000).

Principal risks and uncertainties

The business is subject to the normal commercial uncertainties. The business has an excellent reputation within the market it operates and has long standing business relationships with its customers. By closely monitoring its supply options the business looks to minimize any risk due to raw material price volatility.

Financial key performance indicators

The main financial KPIs that are constantly reviewed are turnover, gross profit and profit on ordinary activities before taxation (PBT). These are shown in the Consolidated Statement of Comprehensive Income on page 8 and are shown below:

	2015	2014
	£'000	£'000
Turnover	**13,410**	15,513
Gross Profit	**3,194**	4,703
Profit on ordinary activities before taxation (PBT)	**2,327**	1,295

The reduction in turnover was due to the relative strength of sterling against the Euro and slightly lower volumes in the year. The relative strengthening of sterling against Euro and an increase in levels of remuneration to employees. This led to a small reduction in PBT%, which decreased from 24.5% in 2014 to 17.4% in 2015.

Future developments

The continued improvement in the wider economy is expected to support demand for metal packaging, to the benefit of the Group. The Group remains focused on achieving the highest standards of quality and service and to this end is undertaking a programme of significant capital investment.

Financial risk management

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, liquidity risk and credit risk. These risks are managed by the board of directors in line with the Company's policies.

This report was approved by the board on 22/9/16 and signed on its behalf by:

Jane Crawford
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and the audited financial statements of Caldicot Metal Decorating Holdings Limited (the "company") for the year ended 31 December 2015.

Principal activity

The principal activity of the group is printing and conversion of metal for use within the metal packaging industry. The company act as a holding entity for the trading subsidiary, Caldicot Metal Decorating Limited.

Results and dividends

The profit for the financial year amounted to £2,106,000 (2014: £489,000).

The group achieved an operating profit of £2,420,000 (2014: £3,807,000).

The Directors' recommended that a dividend of £500,000 (2014: £2,100,000) be paid by the Company during the year.

Business Conduct

The Group conducts its business based on its Business Ethics and Ethical Trading Policy. All business transactions adhere to the Group's Anti-Bribery and Corruption Policy, which is reviewed on a regular basis by the Directors and is externally audited on an annual basis.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Jane Crawford
Stephen Catling (resigned 2 September 2015)
Christopher Edge (appointed 2 September 2015)

Financial risk management

This is noted within the Strategic Report.

Future developments

This is noted within the Strategic Report.

Employee involvement

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

It is the policy of the Group to provide equal opportunities in the appointment, training and career development of disabled persons, and training of employees who have become disabled while employed by the company, having regard to their particular aptitudes and abilities.

It is the policy of the Group to keep employees involved and informed about developments within, and the state of affairs of, the Group as appropriate. It is Group policy to ensure that employees work within a safe and healthy environment and that any issues/concerns that they raise are given due consideration and are promptly and fairly responded to. The Group also looks to ensure that employees are fairly rewarded for their endeavours.

Qualifying third party indemnity provisions

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of information to auditors

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

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

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 22/9/16 and signed on its behalf by:

Jane Crawford
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALDICOT METAL DECORATING HOLDINGS LIMITED

Report on the financial statements

Our opinion

In our opinion Caldicot Metal Decorating Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2015 and of the group's profit and cash flows 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.

What we have audited

Caldicot Metal Decorating Holdings Limited's financial statements, comprise:

- the Consolidated and Company Balance Sheets as at 31 December 2015;
- the Consolidated Statement of Comprehensive Income for the year ended;
- the Consolidated and Company Statements of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALDICOT METAL DECORATING HOLDINGS LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Stuart Couch

Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
CF10 3PW

Date: 27/9/16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Turnover	4	**13,410**	15,513
Cost of sales		**(10,216)**	(10,810)
Gross profit		**3,194**	4,703
Distribution costs		**(324)**	(315)
Administrative expenses		**(350)**	(600)
Fair value movements		**(100)**	19
Operating profit	5	**2,420**	3,807
Net profit on sale of tangible assets		**-**	(2,500)
Profit on ordinary activities before interest		**2,420**	1,307
Interest payable and similar charges	9	**(93)**	(12)
Profit on ordinary activities before taxation		**2,327**	1,295
Tax on profit on ordinary activities	10	**(221)**	(806)
Profit for the financial year		**2,106**	489
Total comprehensive income for the financial year		**2,106**	489
Profit for the financial year attributable to:			
Owners of the parent Company		**2,106**	489
		2,106	489
Total comprehensive income for the year attributable to:			
Owners of the parent Company		**2,106**	489
		2,106	489

CALDICOT METAL DECORATING HOLDINGS LIMITED
REGISTERED NUMBER:07405245

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note		2015 £000		2014 £000
Fixed assets					
Intangible assets	12		**(389)**		(581)
Tangible assets	14		**1,896**		1,360
Investments	15		**1,500**		1,500
			3,007		2,279
Current assets					
Stocks	16	**1,143**		447	
Debtors	17	**1,332**		1,831	
Cash at bank and in hand	18	**1,915**		1,411	
		4,390		3,689	
Creditors: amounts falling due within one year	19	**(2,834)**		(2,682)	
Net current assets			**1,556**		1,007
Total assets less current liabilities			**4,563**		3,286
Creditors: amounts falling due after more than one year	20		**(45)**		(445)
Provisions for liabilities					
Deferred taxation	23	**(108)**		(37)	
			(108)		(37)
Net assets			**4,410**		2,804
Capital and reserves					
Called up share capital	24		**295**		295
Profit and loss account	25		**4,115**		2,509
Total shareholders' funds			**4,410**		2,804

The financial statements were approved and authorised for issue by the board and were signed on its behalf on by: 22/9/16

Jane Crawford
Director

The notes on pages 14 to 35 form part of these financial statements.

CALDICOT METAL DECORATING HOLDINGS LIMITED
REGISTERED NUMBER:07405245

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note		2015 £000		2014 £000
Fixed assets					
Investments	15		**1,795**		1,795
			1,795		1,795
Current assets					
Cash at bank and in hand	18	**15**		15	
		15		15	
Total assets less current liabilities			**1,810**		1,810
Net assets			**1,810**		1,810
Capital and reserves					
Called up share capital	24		**295**		295
Profit and loss account	25		**1,515**		1,515
Total shareholders' funds			**1,810**		1,810

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/9/16
by:

Jane Crawford
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2015	295	2,509	2,804
Comprehensive income for the financial year			
Profit for the financial year	-	2,106	2,106
Total comprehensive income for the financial year	-	2,106	2,106
Contributions by and distributions to owners			
Dividends: Equity capital	-	(500)	(500)
Total transactions with owners	-	(500)	(500)
At 31 December 2015	295	4,115	4,410

FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2014	295	4,120	4,415
Comprehensive income for the financial year			
Profit for the financial year	-	489	489
Total comprehensive income for the financial year	-	489	489
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,100)	(2,100)
Total transactions with owners	-	(2,100)	(2,100)
At 31 December 2014	295	2,509	2,804

The notes on pages 14 to 35 form part of these financial statements.

CALDICOT METAL DECORATING HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
At 1 January 2015	295	1,515	1,810
At 31 December 2015	**295**	**1,515**	**1,810**

FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
At 1 January 2014	295	115	410
Comprehensive income for the financial year			
Profit for the financial year	-	3,500	3,500
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,100)	(2,100)
At 31 December 2014	**295**	**1,515**	**1,810**

The notes on pages 14 to 35 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £000	2014 £000
Cash flows from operating activities		
Profit for the financial year	**2,106**	489
Adjustments for:		
Amortisation of intangible assets	**(192)**	(192)
Depreciation of tangible assets	**276**	233
Increase in stocks	**(696)**	(71)
Interest paid	**93**	(10)
Taxation	**221**	-
Decrease in debtors	**500**	(1,432)
Increase in creditors	**82**	657
Net fair value losses/gains recognised in P&L	**(100)**	19
Impairment of investments	**-**	2,500
Finance costs paid	**-**	(119)
Net cash generated from operating activities	**2,290**	2,074
Cash flows from investing activities		
Purchase of tangible fixed assets	**(812)**	(221)
Purchase of unlisted and other investments	**-**	(4,000)
Net cash used in investing activities	**(812)**	(4,221)
Cash flows from financing activities		
New secured loans	**-**	940
Repayment of loans	**(381)**	(42)
Dividends paid	**(500)**	(2,100)
Interest paid	**(93)**	10
Net cash used in financing activities	**(974)**	(1,192)
Net increase / (decrease) in cash and cash equivalents	**504**	(3,339)
Cash and cash equivalents at beginning of year	**1,411**	4,750
Cash and cash equivalents at the end of year	**1,915**	1,411
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,915**	1,411
	1,915	1,411

1. General information

Caldicot Metal Decorating Holdings Limited (the "company") and its subsidiaries (together the "Group") undertakes the printing and conversion of metal for use within the metal packaging industry.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Caldicot Decorating Works, Caldicot, Monmouthshire, NP26 5XG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

These accounts have been prepared under FRS 102 for the first time. Information on the impact of first-time adoption of FRS 102 is given in note 31.

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

The following principal accounting policies have been applied consistently throughout the year:

2.2 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and includes the company's cash flows in its own consolidated financial statements.

The company has taken advantage of the exemption, under FRS 102 paragraph 33.7, from disclosing the total compensation of key management personnel, on the basis that it is a qualifying entity and includes the company's key management compensation in its own consolidated financial statements.

This information is included in the consolidated financial statements of Caldicot Metal Decorating Holdings Limited as at 31 December 2015 which are included in these financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.3 Related party transactions

The company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

2. Accounting policies (continued)

2.4 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

2.5 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

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

2.7 Intangible assets

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 installments 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.

2.8 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.

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

2. Accounting policies (continued)

Land is not depreciated. Depreciation on other assets 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:

Land and buildings	- 25 years
Plant and machinery	- 3 - 10 years
Fixtures and fittings	- 3 - 10 years

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

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

2.9 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 Stocks

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

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

2.12 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. Accounting policies (continued)

2.13 Cash at bank and in hand

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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

Derivatives, 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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.15 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. Accounting policies (continued)

2.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.17 Finance costs

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

2.18 Dividends

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

2. Accounting policies (continued)

2.19 Pensions

Defined contribution pension plan

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

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

2.20 Borrowing costs

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

2.21 Provisions for liabilities

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

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

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

2. Accounting policies (continued)

2.22 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

2.23 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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

Useful economic lives of fixed assets

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

Revenue recognition

Management considers the detailed criteria for the recognition of revenue from the sale of goods and services set out in FRS 102, in particular whether the significant risks and rewards of ownership of the goods have transferred to the buyer.

4. Turnover

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

An analysis of turnover 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.

5. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible assets	**276**	233
Amortisation of intangible assets, including goodwill	**(192)**	(192)
Operating lease charges	**56**	53
Foreign exchange (gain)/loss	**(72)**	39
Stocks recognised as an expense	**7,301**	6,505
Impairment of stocks	**8**	-

6. Auditors' remuneration

	2015 £000	2014 £000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	**5**	5
Fees payable to the Group's auditors in respect of:		
The auditing of financial statements of associates of the Group	**15**	16
Other services relating to taxation	**9**	11
All other services	**16**	5
	40	32

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	**2,255**	2,278
Social security costs	**234**	242
Other pension costs	**107**	100
	2,596	2,620

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

	2015 Number	2014 Number
Selling and administration	**8**	5
Production	**54**	53
	62	58

8. Directors remuneration and key management compensation

	2015 £000
Aggregate directors emoluments	**469**
Company contributions to defined contribution pension schemes	**17**
	486

During the year retirement benefits were accruing to 3 directors (2014: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £177,000 (2014 - £256,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2014: £Nil).

9. Interest payable and similar charges

	2015 £000	2014 £000
Bank interest payable	**34**	10
Amortisation of financing costs	**2**	2
Other interest payable	**57**	-
	93	12

10. Tax on profit on ordinary activities

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	**380**	778
Adjustments in respect of prior years	**(230)**	(1)
Total current tax	**150**	777
Deferred tax		
Origination and reversal of timing differences	**84**	35
Changes to tax rates	**(13)**	(3)
Adjustments in respect of prior years	**-**	(3)
Total deferred tax	**71**	29
Tax on profit on ordinary activities	**221**	806

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	**2,327**	1,295
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	**471**	278
Effects of:		
Expenses not deductible for tax purposes	**23**	576
Adjustments in respect of prior years	**(221)**	(4)
Non-taxable income	**(39)**	(41)
Effect of changes in tax rates	**(13)**	(3)
Total tax charge for the year	**221**	806

10. Tax on profit on ordinary activities (continued)

Factors that may affect future tax charges

The July 2015 Budget Statement announced changes to the UK Corporation tax rate which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements.

The March 2016 Budget Statement announced a further change to the UK Corporation tax rate which will now reduce the main rate of corporation tax to 17% from 1 April 2020. As the change has not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

Accordingly, the deferred tax balance has been calculated using a rate of 18%.

11. Dividends

	2015 £000	2014 £000
Dividend paid equivalent to £1.6949 (2014: £7.1186) per share)	500	2,100
	500	2,100

12. Intangible assets

Group

	Negative goodwill £000
Cost	
At 1 January 2015	**(1,350)**
At 31 December 2015	**(1,350)**
Accumulated amortisation	
At 1 January 2015	**(769)**
Charge for the year	**(192)**
At 31 December 2015	**(961)**
Net book value	
At 31 December 2015	**(389)**
At 31 December 2014	(581)

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 for these assets.

Company

The Company held no intangible assets as at 31 December 2015 (2014: £Nil).

13. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £Nil (2014: £3,500,000).

14. Tangible assets

Group

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 January 2015	560	1,600	65	2,225
Additions	-	805	7	812
At 31 December 2015	560	2,405	72	3,037
Accumulated depreciation				
At 1 January 2015	89	764	12	865
Charge for the year	22	241	13	276
At 31 December 2015	111	1,005	25	1,141
Net book value				
At 31 December 2015	449	1,400	47	1,896
At 31 December 2014	471	836	53	1,360

Company

The Company held no tangible assets at 31 December 2015 (2014: £Nil).

15. Investments

Group

	Trade investments £000
Cost or valuation	
At 1 January 2015	**4,000**
At 31 December 2015	**4,000**
Impairment	
At 1 January 2015	**2,500**
At 31 December 2015	**2,500**
Net book value	
At 31 December 2015	**1,500**
At 31 December 2014	1,500

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Caldicot Metal Decorating Limited	United Kingdom	Ordinary	100 %	Printing of metal packaging

15. Investments (continued)

Company

	Investments in subsidiary companies £000	Trade investments £000	Total £000
Cost or valuation			
At 1 January 2015	295	4,000	4,295
At 31 December 2015	295	4,000	4,295
Impairment			
At 1 January 2015	-	2,500	2,500
At 31 December 2015	-	2,500	2,500
Net book value			
At 31 December 2015	295	1,500	1,795
At 31 December 2014	295	1,500	1,795

16. Stocks

	Group 2015 £000	Group 2014 £000	**Company 2015 £000**	Company 2014 £000
Raw materials and consumables	**952**	220	-	-
Work in progress (goods to be sold)	**171**	56	-	-
Finished goods and goods for resale	**20**	171	-	-
	1,143	447	-	-

17. Debtors

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade debtors	**1,173**	1,665	**-**	-
Other debtors	**122**	84	**-**	-
Tax recoverable	**3**	-	**-**	-
Financial instruments	**-**	49	**-**	-
Prepayments and accrued income	**34**	33	**-**	-
	1,332	1,831	**-**	-

18. Cash at bank and in hand

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Cash at bank and in hand	**1,915**	1,411	**15**	15

19. Creditors: Amounts falling due within one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Bank loans and overdrafts	**395**	376	**-**	-
Trade creditors	**1,874**	1,375	**-**	-
Corporation tax	**-**	399	**-**	-
Other taxation and social security	**78**	89	**-**	-
Other creditors	**41**	42	**-**	-
Financial instruments	**50**	-	**-**	-
Accruals and deferred income	**396**	401	**-**	-
	2,834	2,682	**-**	-

20. Creditors: Amounts falling due after more than one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Bank loans and overdrafts	45	445	-	-

In the prior year the group obtained new financing facilities made up of two separate loans of £240,000 and £700,000 which attract interest at 2.9% above 3 month LIBOR and 4.4% above 3 month LIBOR respectively and have terms of three years and two years respectively. The bank loans are secured by fixed and floating charges over the assets of the group and also specifically on the plant and machinery of the group.

As part of the debt refinancing exercise the group entered into a new and improved invoice discounting facility with the bank. This facility and the loans are secured by way of a floating charge and debenture over the assets of the group.

At the year-end there were no advances against debtors.

The amortisation charge of £1,884 (2014: £2,281) has been charged to the Consolidated Statement of Comprehensive Income.

21. Loans

Analysis of the maturity of loans is given below:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Amounts falling due within one year				
Bank loans and overdrafts	395	376	-	-
Amounts falling due within one to two years				
Bank loans and overdrafts	45	376	-	-
Amounts falling due within two to five years				
Bank loans and overdrafts	-	69	-	-

22. Financial instruments

	Group 2015 £000	Company 2015 £000
Financial assets		
Financial assets that are measured at cost less impairment	1,500	1,500
Financial assets that are debt instruments measured at amortised cost	1,294	-
	2,794	1,500
Financial liabilities		
Financial liabilities measured at amortised cost		(2,750)
Derivative financial instruments designated as hedges of variable interest rate risk		(50)
		(2,800)

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

Derivative financial instruments designated as hedges of variable interest rate risk comprise foreign exchange derivative contracts.

23. Deferred taxation

Group

	Deferred taxation £000
At 1 January 2015	37
Charged to the profit or loss	71
At 31 December 2015	108

The provision for deferred taxation is made up as follows:

	Group 2015 £000	Group 2014 £000
Accelerated capital allowances	110	39
Short term timing differences	(2)	(2)
	108	37

24. Called up share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
295,001 (2014: 295,001) Ordinary shares of £1 each	295	295

24. Called up share capital (continued)

25. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

26. Capital commitments

At 31 December the Group and Company had capital commitments as follows:

Contracted for but not provided in these financial statements are Nil (2014:£9,000).

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £107,000 (2014: £100,000).

28. Commitments under operating leases

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

	Group 2015 £000	Group 2014 £000
Not later than 1 year	**6**	3
Later than 1 year and not later than 5 years	**72**	109
Later than 5 years	**10**	11
Total	**88**	123

29. Related party transactions

During the year to 31 December 2015 the group had the following related party transactions:

	Refer to	2015	2014
		£'000	£'000
Management charges and expenses from Chamonix Private Equity LLP	(a), (c)	102	102
Purchases from Regain Polymers Limited	(b)	20	10
Investment in Regain Plymers Holdings Limited	(b)	-	2,500
Investment in Apex Livar Limited	(b)	1,000	1,000
Investment in Leafield Environmental Holdings Limited	(b)	500	500

(a) Chamonix Private Equity LLP is an entity affiliated to Chamonix II LLP. Jane Crawford and Christopher Edge are directors of the company. Jane Crawford and Christopher Edge are partners of Chamonix Private Equity LLP.

(b) Related party by virtue of its common ownership and control under Chamonix II LLP.

(c) There was no outstanding amounts to Chamonix Private Equity LLP at 31 December 2015 (2014: £Nil).

30. Controlling party

The largest and smallest group in which the results of the Company are consolidated is that headed by Caldicot Metal Decorating Holdings Limited. The Company is considered to be the ultimate parent undertaking of the group.

Chamonix II LLP owns 100% of the ordinary share capital of the Company's parent undertaking, Caldicot Metal Decorating Holdings Limited, and is considered to be the ultimate controlling party.

31. Transition to FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	Note	Group £000	Company £000
Equity at 1 January 2014 under previous UK GAAP		4,415	410
Recognition of forward exchange contracts		12	-
Equity shareholders funds at 1 January 2014 under FRS 102		**4,427**	**410**

Reconciliation of equity at 31 December 2014

	Note	Group £000	Company £000
Equity at 31 December 2014 under previous UK GAAP		2,804	1,810
Recognition of forward exchange contracts		25	-
Equity shareholders funds at 31 December 2014 under FRS 102		**2,829**	**1,810**

Reconciliation of profit and loss account for the year ended 31 December 2014

	Group £000	Company £000
Profit for the year under UK GAAP	476	3,500
Recognition of forward exchange contracts	13	-
Profit for the year ended 31 December 2014 under FRS 102	**489**	**3,500**

The following were changes in accounting policies arising from the transition to FRS 102:

1 On transition to FRS 102 the treatment of forward foreign exchange contracts has changed for the group, and as a result the group has recognised an asset of £12,000 as at 1 January 2014 and an asset of £25,000 as at 31 December 2014 that were not previously recognised under UK GAAP. This has resulted in the total shareholders' funds of the group increasing by £12,000 as at 1 January 2014 and by £25,000 as at 31 December 2014, and the profit for the financial year to 31 December 2014 increasing by £13,000.