

COMPANY REGISTRATION NO. 07405245 (England and Wales)

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

TINMASTERS GROUP LIMITED

COMPANY INFORMATION

Directors	J L D Crawford C T Edge R O'Neill	(Appointed 26 February 2020)
------------------	---	------------------------------

Company number	07405245
-----------------------	----------

Registered office	Tinmasters Bryntywod Llangyfelach Swansea SA5 7LN
--------------------------	--

Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW
----------------	---

TINMASTERS GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Group statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 35

TINMASTERS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Fair review of the business

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

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 market changes in 2019 and those resulting from Covid-19 in 2020. The majority of the costs borne by the business were exceptional costs totalling £1,611,240 (see note 4) – they represented the cost of redundancies in Tinmasters Limited 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.

Financial Headlines

Revenue	£14,342,063 (2019: £18,208,928)
EBITDA	-£1,885,948 (2019: £174,025)
Adjusted EBITDA	-£358,038 (2019: £174,025)
Loss for the financial year	-£2,177,017 (2019: -£284,782)

The adjusted EBITDA excludes exceptional costs of £1,527,910 (see note 4).

Revenue and margins fell by 21% and 28% respectively, year on year. This was substantially a result of the market changes experienced and reported on in 2019. There was also some inevitable disruption to trade during and immediately after the Swansea move and certain customers and suppliers being adversely affected by Covid-19.

The group incurred c.£1.6m of exceptional costs during the year due to the site integration and relocation of assets. However its balance sheet remains strong, with £4.5m (2019: £6.7m) of net assets. Net current assets have improved from £0.4m to £1.1m due to restructuring of debt. Cash and cash equivalents at the year end were £444,122 (2019: £419,881).

TINMASTERS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The group's operations expose it to a variety of financial and operational risks which are reviewed by the board. Careful risk management is fundamental to the ability of the business to execute its strategic objectives. The principle risks are detailed below along with management's mitigating actions.

a. Financial Risk Management

Foreign currency - the main currency risk arises from movements in the Euro to GBP exchange rate. This risk is managed by entering into forward currency option contracts. The fair value of these are incorporated in the financial statements.

Commodity price - whilst the group does not engage in taking speculative positions it does have to make significant forward purchases of certain raw materials, Raw materials are directly linked to sales forecasts and contract.

Finance availability - the company ensure that adequate financial resources are available to accommodate appropriate working capital levels. The group has and continues to operate with banking facilities that provide headroom above the anticipated maximum requirement as projected in working capital cycle forecasts.

b. Operational Risk Management

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

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

Brexit - The Brexit deal came into force on the 30 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 continually taken where appropriate to understand the implications of either a new trading relationship with the EU or, if no trade agreement is reached, the UK abiding by World Trade Organisation (WTO) rules. Several measures 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 group'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 Group 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 Group's senior management. The team met weekly to assess the range of issues. They scoped and rapidly put in place a plan of action, assigning activities and responsibilities. The team continues to meet regularly to monitor progress and to consider whether to adapt and/or flex the plan of action in light of ongoing developments.

Key performance indicators

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

TINMASTERS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

J L D Crawford

Director

8 September 2021

TINMASTERS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company and group continued to be that of printing and conversion of metal for use within the metal packaging industry. Tinmasters Group Limited acts as the holding entity for its trading subsidiaries, Tinmasters Limited and Tinmasters Swansea Limited.

Results and dividends

The results for the year are set out on page 9.

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

C T Edge

R O'Neill

(Appointed 26 February 2020)

Future developments

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

Auditor

UHY Hacker Young were appointed as auditor to the group 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 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 auditor of the company 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 auditor of the company is aware of that information.

Going concern

In assessing the group's and the company's ability to continue as a going concern, the directors have reviewed the group's cashflow and profit forecasts for the foreseeable future and considered the group's performance with respect to cash and facility headroom. The review included a sensitivity analysis based on the business' key risks which, after taking into account existing plans and preparations, includes a reasonable worst case scenario for the ongoing impact of Covid-19 and Brexit. As at 31 December 2020, the group had net current assets of £1,090,213 (2019: £420,843).

Based on this assessment, the directors have concluded that the group and 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.

On behalf of the board

J L D Crawford

Director

8 September 2021

TINMASTERS GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

TINMASTERS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TINMASTERS GROUP LIMITED

Opinion

We have audited the financial statements of Tinmasters Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 December 2020 and of the group's 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 group's and parent 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 GROUP LIMITED

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

Matters on which we are required to report by exception

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

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 parent 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 and ISO standards;
- 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 GROUP LIMITED

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

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 GROUP LIMITED

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

	Notes	2020 £	2019 £
Turnover	3	14,342,063	18,208,928
Cost of sales		(11,410,797)	(13,131,057)
Gross profit		2,931,266	5,077,871
Distribution costs		(359,189)	(469,834)
Administrative expenses including exceptional items totalling £1,527,910 (2019: £nil)	4	(4,790,338)	(4,825,181)
Other operating income		25,314	-
Operating loss	5	(2,192,947)	(217,144)
Interest receivable and similar income	9	26	37
Interest payable and similar expenses including exceptional items totalling £83,330 (2019: £nil)	4 & 10	(318,765)	(129,466)
Loss before taxation		(2,511,686)	(346,573)
Tax on loss	11	334,669	61,791
Loss for the financial year		(2,177,017)	(284,782)

Loss for the financial year is all attributable to the owners of the parent company.

TINMASTERS GROUP LIMITED

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

	2020	2019
	£	£
Loss for the year	(2,177,017)	(284,782)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(2,177,017)</u>	<u>(284,782)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

TINMASTERS GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Negative goodwill	12	(2,746,000)		(3,108,000)	
Tangible assets	13	9,933,473		11,236,908	
Investments	14	500,000		500,000	
			7,687,473		8,628,908
Current assets					
Stocks	17	1,847,278		1,815,900	
Debtors	18	1,715,860		3,675,208	
Cash at bank and in hand		444,123		419,881	
			4,007,261		5,910,989
Creditors: amounts falling due within one year	19	(2,917,048)		(5,490,145)	
Net current assets			1,090,213		420,844
Total assets less current liabilities			8,777,686		9,049,752
Creditors: amounts falling due after more than one year	20	(3,199,442)		(1,413,000)	
Provisions for liabilities					
Deferred tax liability	23	1,068,484		949,975	
			(1,068,484)		(949,975)
Net assets			4,509,760		6,686,777
Capital and reserves					
Called up share capital	25	295,001		295,001	
Profit and loss reserves		4,214,759		6,391,776	
Total equity		4,509,760		6,686,777	

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

TINMASTERS GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	14		2,703,000		2,703,000
Current assets					
Cash at bank and in hand			15,001		15,001
Creditors: amounts falling due within one year					
	19	(2,093,000)		(2,093,000)	
Net current liabilities			(2,077,999)		(2,077,999)
Net assets			625,001		625,001
Capital and reserves					
Called up share capital	25		295,001		295,001
Profit and loss reserves			330,000		330,000
Total equity			625,001		625,001

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2019 - £0 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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. 07405245

TINMASTERS GROUP LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	295,001	6,676,558	6,971,559
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(284,782)	(284,782)
Balance at 31 December 2019	295,001	6,391,776	6,686,777
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(2,177,017)	(2,177,017)
Balance at 31 December 2020	295,001	4,214,759	4,509,760

TINMASTERS GROUP LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	295,001	330,000	625,001
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2019	295,001	330,000	625,001
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 December 2020	295,001	330,000	625,001

TINMASTERS GROUP LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	31	(189,071)	917,975
Interest paid		(318,765)	(129,000)
Income taxes refunded/(paid)		127,147	(82,000)
Net cash (outflow)/inflow from operating activities		(380,689)	706,975
Investing activities			
Purchase of tangible fixed assets		1,938,865	(579,531)
Proceeds on disposal of tangible fixed assets		(1,037,463)	-
Purchase of subsidiaries		-	(407,000)
Interest received		26	37
Net cash generated from/(used in) investing activities		901,428	(986,494)
Financing activities			
Proceeds of new bank loans		-	511,000
Repayment of bank loans		(1,264,690)	-
Purchase of derivatives		29,091	-
Payment of finance leases obligations		739,102	(846,601)
Net cash used in financing activities		(496,497)	(335,601)
Net increase/(decrease) in cash and cash equivalents		24,242	(615,120)
Cash and cash equivalents at beginning of year		419,881	1,035,001
Cash and cash equivalents at end of year		444,123	419,881

TINMASTERS GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Tinmasters Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Tinmasters Bryntwyod, Llangyfelach, Swansca, SA5 7LN.

The group consists of Tinmasters Group Limited and all of its subsidiaries.

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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- 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: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

TINMASTERS GROUP LIMITED

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

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Tinmasters Group Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

In assessing the group's and the company's ability to continue as a going concern, the directors have reviewed the group's cashflow and profit forecasts for the foreseeable future and considered the group's performance with respect to cash and facility headroom. The review included a sensitivity analysis based on the business' key risks which, after taking into account existing plans and preparations, includes a reasonable worst case scenario for the ongoing impact of Covid-19 and Brexit. As at 31 December 2020, the group had net current assets of £1,090,213 (2019: £420,843).

Based on this assessment, the directors have concluded that the group and 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.

1.5 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.

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.

1.6 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.

TINMASTERS GROUP LIMITED

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

1 Accounting policies (Continued)

1.7 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 10 years. Amortisation of goodwill is provided from the date of acquisition.

1.8 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.

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
Leasehold land and buildings	over the lease term
Plant and equipment	2 - 25 years straight line
Fixtures and fittings	3 - 15 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 recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

TINMASTERS GROUP LIMITED

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

1 Accounting policies

(Continued)

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.

1.11 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 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.

1.12 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.

1.13 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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.

TINMASTERS GROUP LIMITED

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

1 Accounting policies

(Continued)

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 group 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 group 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 GROUP LIMITED

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

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 group's contractual obligations expire or are discharged or cancelled.

1.14 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 group'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 if, and only if, there is 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.

1.15 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 GROUP LIMITED

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

1 Accounting policies

(Continued)

1.16 Retirement benefits

The group operates a defined benefit 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 group has no further payment obligations.

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

1.17 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 leased asset are consumed.

1.18 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.

1.19 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 GROUP LIMITED

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

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 group's and the company's ability to continue as a going concern, the directors have reviewed the group's cashflow and profit forecasts for the foreseeable future and considered the group's performance with respect to cash and facility headroom. The review included a sensitivity analysis based on the business' key risks which, after taking into account existing plans and preparations, includes a reasonable worst case scenario for the ongoing impact of Covid-19 and Brexit. As at 31 December 2020, the group had net current assets of £1,090,213 (2019: £420,843).

Based on this assessment, the directors have concluded that the group and 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 estimate 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 bring 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 overheads 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

	2020	2019
	£	£
Other significant revenue		
Interest income	26	37
Grants received	25,314	-
	<u>25,340</u>	<u>37</u>

TINMASTERS GROUP LIMITED

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

3 Turnover and other revenue

(Continued)

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

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

4 Exceptional items

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

During the year, it was decided 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 group incurred exceptional costs to move all plant and machinery from Caldicot to Swansea.

5 Operating loss

	2020 £	2019 £
Operating loss 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	14,172	16,640
Research and development costs	4,500	9,000
Government grants	(25,314)	-
Depreciation of owned tangible fixed assets	668,999	753,169
Profit on disposal of tangible fixed assets	(266,966)	-
Amorisation of intangible assets	(362,000)	(362,000)
Operating lease charges	58,078	66,939
	<u>58,078</u>	<u>66,939</u>

6 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,750	5,000
Audit of the financial statements of the company's subsidiaries	20,453	28,000
	<u>22,203</u>	<u>33,000</u>
For other services		
Taxation compliance services	5,500	18,000
	<u>5,500</u>	<u>18,000</u>

TINMASTERS GROUP LIMITED

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

7 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Selling and administration	13	13	-	-
Production	82	101	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	95	114	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	4,137,006	4,476,382	-	-
Social security costs	347,373	467,320	-	-
Pension costs	211,529	235,598	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	4,695,908	5,179,300	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	133,469	-
Company pension contributions to defined contribution schemes	11,132	-
	<u> </u>	<u> </u>
	144,601	-
	<u> </u>	<u> </u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

9 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	26	37
	<u> </u>	<u> </u>

TINMASTERS GROUP LIMITED

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

10 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	58,380	19,000
Interest on invoice finance arrangements	6,504	17,446
Other interest on financial liabilities	73,888	-
Interest on finance leases and hire purchase contracts	96,663	76,700
Loan arrangement fees (including exceptional items totalling £83,330 (2019: £nil) see note 4)	83,330	16,320
	<u> </u>	<u> </u>
Total finance costs	<u>318,765</u>	<u>129,466</u>

11 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(453,310)	-
Adjustments in respect of prior periods	132	(54,000)
	<u> </u>	<u> </u>
Total current tax	<u>(453,178)</u>	<u>(54,000)</u>
Deferred tax		
Origination and reversal of timing differences	62,783	(21,000)
Changes in tax rates	55,701	2,209
Adjustment in respect of prior periods	25	11,000
	<u> </u>	<u> </u>
Total deferred tax	<u>118,509</u>	<u>(7,791)</u>
	<u> </u>	<u> </u>
Total tax credit	<u>(334,669)</u>	<u>(61,791)</u>

TINMASTERS GROUP LIMITED

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

11 Taxation

(Continued)

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

	2020	2019
	£	£
Loss before taxation	(2,511,686)	(346,573)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(477,220)	(65,849)
Tax effect of expenses that are not deductible in determining taxable profit	752	32,758
Tax effect of income not taxable in determining taxable profit	(46,481)	(69,000)
Unutilised tax losses carried forward	134,292	-
Adjustments in respect of prior years	132	(41,000)
Effect of change in corporation tax rate	55,701	(2,000)
Permanent capital allowances in excess of depreciation	(1,845)	-
Deferred tax movement	-	83,300
	<u> </u>	<u> </u>
Taxation credit	(334,669)	(61,791)
	<u> </u>	<u> </u>

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 reflected in these financial statements.

12 Intangible fixed assets

Group	Negative goodwill
	£
Cost	
At 1 January 2020 and 31 December 2020	(4,971,000)
	<u> </u>
Amortisation and impairment	
At 1 January 2020	(1,863,000)
Amortisation charged for the year	(362,000)
	<u> </u>
At 31 December 2020	(2,225,000)
	<u> </u>
Carrying amount	
At 31 December 2020	(2,746,000)
	<u> </u>
At 31 December 2019	(3,108,000)
	<u> </u>

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

TINMASTERS GROUP LIMITED

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

12 Intangible fixed assets

(Continued)

Negative goodwill relates to the acquisition of Tinmasters Swansea Limited (previously Afon Tinplate Company Limited) on 6 August 2018. The estimated useful economic life of negative goodwill is primarily driven by the useful economic life of the fair value of plant and machinery and as such is being credited to the Group Profit and Loss Account over a period of 10 years in line with the amortisation policy for these assets.

13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2020	566,945	1,893,401	10,954,600	765,917	14,180,863
Additions	(6,600)	(915,013)	(954,638)	(62,614)	(1,938,865)
Disposals	6,600	1,282,401	6,709,407	535,699	8,534,107
At 31 December 2020	566,945	2,260,789	16,709,369	1,239,002	20,776,105
Depreciation and impairment					
At 1 January 2020	201,312	39,735	2,157,674	545,234	2,943,955
Depreciation charged in the year	19,606	27,653	572,697	49,043	668,999
Eliminated in respect of disposals	-	367,388	6,442,499	419,791	7,229,678
At 31 December 2020	220,918	434,776	9,172,870	1,014,068	10,842,632
Carrying amount					
At 31 December 2020	346,027	1,826,013	7,536,499	224,934	9,933,473
At 31 December 2019	365,633	1,853,666	8,796,926	220,683	11,236,908

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	2,203,000	2,203,000
Unlisted investments		500,000	500,000	500,000	500,000
		500,000	500,000	2,703,000	2,703,000

TINMASTERS GROUP LIMITED

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

14 Fixed asset investments **(Continued)**

Movements in fixed asset investments
Group

Investments
£

Cost or valuation

At 1 January 2020 and 31 December 2020

500,000

Carrying amount

At 31 December 2020

500,000

At 31 December 2019

500,000

Movements in fixed asset investments
Company

Shares in
subsidiaries
£

Other
investments
£

Total
£

Cost or valuation

At 1 January 2020 and 31 December 2020

2,203,000

500,000

2,703,000

Carrying amount

At 31 December 2020

2,203,000

500,000

2,703,000

At 31 December 2019

2,203,000

500,000

2,703,000

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of	% Held
			shares held	Direct
Tinmasters Limited	England and Wales	UK printer of metal packaging	Ordinary £1	100.00
Tinmasters Swansea Limited	England and Wales	UK printer of metal packaging	Ordinary £1	100.00

TINMASTERS GROUP LIMITED

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

16 Financial instruments

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,136,854	3,307,426	n/a	n/a
Equity instruments measured at cost less impairment	500,000	500,000	n/a	n/a
Instruments measured at fair value through profit or loss	-	25,683	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	3,408	-	-	-
Measured at amortised cost	6,030,244	6,668,397	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

17 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	1,114,806	929,584	-	-
Work in progress	202,678	520,430	-	-
Finished goods and goods for resale	529,794	365,886	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,847,278	1,815,900	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,132,800	3,241,189	-	-
Corporation tax recoverable	498,310	172,279	-	-
Derivative financial instruments	-	25,683	-	-
Other debtors	5,126	66,237	-	-
Prepayments and accrued income	79,624	169,820	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,715,860	3,675,208	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

TINMASTERS GROUP LIMITED

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

19 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2020	2019	2020	2019
		£	£	£	£
Bank loans	21	778,995	2,043,685	-	-
Obligations under finance leases	22	379,182	846,522	-	-
Trade creditors		664,979	1,505,414	-	-
Amounts owed to group undertakings		-	-	2,093,000	1,686,000
Other taxation and social security		82,838	234,748	-	-
Derivative financial instruments		3,408	-	-	-
Other creditors		363,845	43,517	-	-
Accruals and deferred income		643,801	816,259	-	407,000
		<u>2,917,048</u>	<u>5,490,145</u>	<u>2,093,000</u>	<u>2,093,000</u>

During the year, the group replaced its existing Hire Purchase Loan of £3,389,282 with another Hire Purchase Loan of £3,000,000 repayable over 6 years and attracting interest of 9.5%.

At the year end, the group had an amount of £778,995 (2019: £2,043,685) outstanding against its bank invoice financing facility.

Amounts owed to group undertakings are repayable on demand and are not interest bearing.

20 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2020	2019	2020	2019
		£	£	£	£
Obligations under finance leases	22	2,619,442	1,413,000	-	-
Other creditors		580,000	-	-	-
		<u>3,199,442</u>	<u>1,413,000</u>	<u>-</u>	<u>-</u>

21 Loans and overdrafts

		Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Invoice discounting		<u>778,995</u>	<u>2,043,685</u>	<u>-</u>	<u>-</u>
Payable within one year		<u>778,995</u>	<u>2,043,685</u>	<u>-</u>	<u>-</u>

The group has entered into an invoice discounting facility with its bank. At the year end £778,995 (2019: £2,043,685) had been advanced against this facility.

TINMASTERS GROUP LIMITED

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

22 Finance lease obligations

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
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>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group 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.

23 Deferred taxation

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

	Liabilities	Liabilities
	2020	2019
	£	£
Group		
Accelerated capital allowances	604,151	674,726
Tax losses	(4,859)	(278,000)
Revaluations	472,000	593,000
Retirement benefit obligations	(923)	(1,786)
Short term timing differences	-	(24,000)
Timing differences - derivatives	-	2,000
Other	(1,885)	(15,965)
	<u>1,068,484</u>	<u>949,975</u>

The company has no deferred tax assets or liabilities.

	Group	Company
	2020	2020
	£	£
Movements in the year:		
Liability at 1 January 2020	949,975	-
Charge to profit or loss	118,509	-
	<u>1,068,484</u>	<u>-</u>

TINMASTERS GROUP LIMITED

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

24 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	211,529	235,598

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	279,894	295,001	279,894	295,001
Ordinary A shares of £1 each	15,107	-	15,107	-
	<u>295,001</u>	<u>295,001</u>	<u>295,001</u>	<u>295,001</u>

On 29 January 2020, the directors passed a resolution to re-designate 15,107 Ordinary shares as Ordinary A shares in the company.

On 29 January 2020, the directors passed a resolution to re-designate 15,107 Ordinary shares as Ordinary A shares in the company.

26 Operating lease commitments

Lessee

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	95,929	95,565	-	-
Between two and five years	83,393	142,384	-	-
In over five years	-	18,000	-	-
	<u>179,322</u>	<u>255,949</u>	<u>-</u>	<u>-</u>

27 Related party transactions

During the year ended 31 December 2020, the group paid management charges of £250,000 (2019: £250,000) to Chamonix Private Equity LLP, a shareholder of the company. At the year end, an amount of £465,000 (2019: £180,000) was owed to Chamonix Private Equity LLP.

Also at the year end, the group holds an investment of £500,000 in Leaffield Environmental Holdings Limited, a related party by virtue of its common ownership and control under Chamonix Private Equity LLP.

TINMASTERS GROUP LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****28 Controlling party**

The company is considered to be the ultimate parent undertaking of the group.

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 company.

29 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.

30 Subsequent events

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

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

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

31 Cash absorbed by group operations

	2020 £	2019 £
Loss for the year after tax	(2,177,017)	(284,782)
Adjustments for:		
Taxation credited	(334,669)	(61,791)
Finance costs	318,765	129,466
Investment income	(26)	(37)
Gain on disposal of tangible fixed assets	(266,966)	-
Amorisation and impairment of intangible assets	(362,000)	(362,000)
Depreciation and impairment of tangible fixed assets	668,999	753,169
Movements in working capital:		
(Increase)/decrease in stocks	(31,378)	774,919
Decrease in debtors	2,259,696	2,298,754
Decrease in creditors	(264,475)	(10,829,323)
Cash absorbed by operations	(189,071)	(7,581,625)

TINMASTERS GROUP LIMITED

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

32 Analysis of changes in net debt - group

	1 January 2020	Cash flows	Market value movements	31 December 2020
	£	£	£	£
Cash at bank and in hand	419,881	24,242	-	444,123
Borrowings excluding overdrafts	(2,043,685)	1,348,020	(83,330)	(778,995)
Obligations under finance leases	(2,259,522)	(739,102)	-	(2,998,624)
	<u>(3,883,326)</u>	<u>633,160</u>	<u>(83,330)</u>	<u>(3,333,496)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.