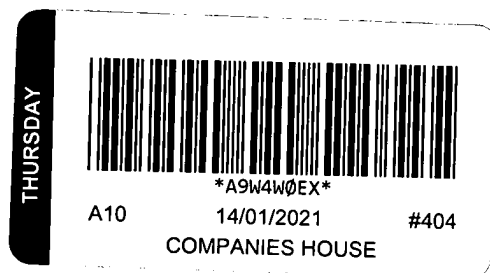


Company Registration No. 08062261 (England and Wales)

**TNA UK MANUFACTURING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**



# TNA UK MANUFACTURING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A Taylor Mrs N Taylor
<b>Secretary</b>	Mrs J Boulton
<b>Company number</b>	08062261
<b>Registered office</b>	166 Clapgate Lane Woodgate Business Park Bartley Green Birmingham B32 3DE
<b>Auditor</b>	Trevor Jones & Co Old Bank Chambers 582-586 Kingsbury Road Erdington Birmingham B24 9ND
<b>Business address</b>	166 Clapgate Lane Woodgate Business Park Bartley Green Birmingham B32 3DE

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# **TNA UK MANUFACTURING LIMITED**

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# **TNA UK MANUFACTURING LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present their annual report and financial statements for the year ended 30 June 2020.

### **Principal activities**

The principal activity of the company is that of the manufacturing of packaging machines for the snack food industry.

### **Results and dividends**

The results for the year are set out on page 7.

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

### **Directors**

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

Mr A Taylor  
Mrs N Taylor

### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 52 day's purchases, based on the average daily amount invoiced by suppliers during the year.

### **Research and development**

All research and development is mainly undertaken by the company's parent

### **Post reporting date events**

There were no reportable post year end events.

### **Future developments**

There were no important events balance sheet date.

The company's aim is for continued growth and the manufacture of complimentary products for the benefit of the group.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Trevor Jones & Co be reappointed as auditor of the company 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 company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

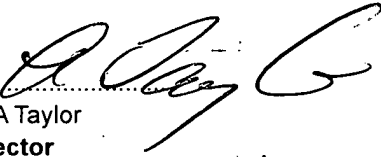
# TNA UK MANUFACTURING LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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On behalf of the board

  
.....

Mr A Taylor  
Director

Date: 27 Oct '20

# **TNA UK MANUFACTURING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# TNA UK MANUFACTURING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TNA UK MANUFACTURING LIMITED

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#### Opinion

We have audited the financial statements of TNA UK Manufacturing Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its 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.
- the special purpose financial information of TNA UK Manufacturing Limited (the Component) as of 30 June 2020 and for the year then ended was prepared in all material respects, in accordance with the Financial Reporting Standards (FRS102 and GAAP).

#### 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

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **TNA UK MANUFACTURING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF TNA UK MANUFACTURING LIMITED**

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#### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of directors**

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the website of the Financial Reporting Council at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **TNA UK MANUFACTURING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF TNA UK MANUFACTURING LIMITED**

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#### **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.

*Trevor Jones & Co*

Adrian McKeown (Senior Statutory Auditor)  
for and on behalf of Trevor Jones & Co

4/11/20

Chartered Accountants  
Statutory Auditor

Old Bank Chambers  
582-586 Kingsbury Road  
Erdington  
Birmingham  
B24 9ND

# TNA UK MANUFACTURING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	9,675,186	10,806,617
Cost of sales		(8,188,924)	(9,506,436)
<b>Gross profit</b>		<b>1,486,262</b>	<b>1,300,181</b>
Administrative expenses		(776,705)	(481,564)
Other operating income		13,769	-
<b>Operating profit</b>	4	<b>723,326</b>	<b>818,617</b>
Interest receivable and similar income	6	202	-
Interest payable and similar expenses	7	(1,240)	(578)
<b>Profit before taxation</b>		<b>722,288</b>	<b>818,039</b>
Tax on profit	8	(138,400)	(156,000)
<b>Profit and total comprehensive income for the financial year</b>		<b>583,888</b>	<b>662,039</b>

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

# TNA UK MANUFACTURING LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible fixed assets	9		611,343		137,352
<b>Current assets</b>					
Stocks	10	2,339,372		3,809,328	
Debtors	11	3,863,021		3,277,405	
Cash at bank and in hand		1,988		11,236	
		<u>6,204,381</u>		<u>7,097,969</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,746,698)</u>		<u>(4,127,245)</u>	
<b>Net current assets</b>			3,457,683		2,970,724
<b>Total assets less current liabilities</b>			4,069,026		3,108,076
<b>Creditors: amounts falling due after more than one year</b>	12		(377,062)		-
<b>Provisions for liabilities</b>			(3,000)		(3,000)
<b>Net assets</b>			<u>3,688,964</u>		<u>3,105,076</u>
<b>Capital and reserves</b>					
Called up share capital	17		1,000		1,000
Profit and loss reserves			3,687,964		3,104,076
<b>Total equity</b>			<u>3,688,964</u>		<u>3,105,076</u>

The financial statements were approved by the board of directors and authorised for issue on 27/10/20 and are signed on its behalf by:

  
Mr A Taylor  
Director

Company Registration No. 08062261

# TNA UK MANUFACTURING LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2018	1,000	2,442,037	2,443,037
Year ended 30 June 2019:			
Profit and total comprehensive income for the year	-	662,039	662,039
Balance at 30 June 2019	1,000	3,104,076	3,105,076
Year ended 30 June 2020:			
Profit and total comprehensive income for the year	-	583,888	583,888
Balance at 30 June 2020	1,000	3,687,964	3,688,964

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

#### Company information

TNA UK Manufacturing Limited is a private company limited by shares incorporated in England and Wales. The registered office is 166 Clapgate Lane, Woodgate Business Park, Bartley Green, Birmingham, B32 3DE. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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, except for the revaluation of . The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;
- comparative narrative information;
- for financial instruments, investment property and biological assets measured at fair value and within the scope of IFRS 13, the valuation techniques and inputs used to measure fair value, the effect of fair value measurements with significant unobservable inputs on the result for the period and the impact of credit risk on the fair value; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

Where required, equivalent disclosures are given in the group accounts of TNA Australia PTY Limited. The group accounts of TNA Australia PTY Limited are available to the public and can be obtained as set out in note 19.

#### 1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under its contract. In particular the company recognises its main revenue streams as follows:

Revenue from the sale of machines is recognised when the goods are dispatched.

Revenue from the sale of spare parts is also recognised when the goods are dispatched.

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

#### 1.4 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:

Land and buildings Freehold	Over the life of the lease
Fixtures, fittings & equipment	25% straight line basis
Plant and machinery	20% straight line basis
Computer equipment	25% straight line basis
Motor vehicles	Over the life of the lease

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.

#### 1.5 Impairment of tangible and intangible assets

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

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

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

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.

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### 1.6 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.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.7 Cash at bank and in hand

Cash and cash equivalents 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.

#### 1.8 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets at fair value through profit or loss***

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

##### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

##### ***Financial assets at fair value through other comprehensive income***

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

#### **Impairment of financial assets**

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

#### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.



# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

---

### 1 Accounting policies

(Continued)

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

#### 1.12 Taxation

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

##### **Current tax**

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

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.13 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 inventories 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.

#### 1.14 Retirement benefits

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

#### 1.15 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.16 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

#### 1.17 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.

### 2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

IFRS16

Leases

### 3 Turnover

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Sale of machines	8,264,706	8,591,889
Sale of spares	1,410,480	2,214,728
	<u>9,675,186</u>	<u>10,806,617</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	202	-
Grants received	<u>13,769</u>	<u>-</u>

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(10,654)	45,672
Government grants	(13,769)	-
Fees payable to the company's auditor for the audit of the company's financial statements	7,700	7,900
Depreciation of property, plant and equipment	170,707	8,639
Cost of inventories recognised as an expense	<u>7,637,671</u>	<u>8,297,972</u>

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 5 Employees

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

2020 Number	2019 Number
41	41

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,243,382	1,379,364
Social security costs	113,898	127,514
Pension costs	79,480	61,870
	<u>1,436,760</u>	<u>1,568,748</u>

### 6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	<u>202</u>	<u>-</u>

### 7 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>1,240</u>	<u>578</u>

### 8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	<u>138,400</u>	<u>129,000</u>
Deferred tax		
Origination and reversal of temporary differences	<u>-</u>	<u>27,000</u>
Total tax charge	<u>138,400</u>	<u>156,000</u>

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 8 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2020 £	2019 £
Profit before taxation	722,288	818,039
Expected tax charge based on a corporation tax rate of 19.00% (2019: 19.00%)	137,235	155,427
Effect of expenses not deductible in determining taxable profit	27	503
Change in unrecognised deferred tax assets	-	27,000
Permanent capital allowances in excess of depreciation	(5,893)	(28,989)
Depreciation on assets not qualifying for tax allowances	7,031	1,856
Under/(over) provided in prior years	-	203
<b>Taxation charge for the year</b>	<b>138,400</b>	<b>156,000</b>

### 9 Tangible fixed assets

	Land and buildings Freehold £	Fixtures, fittings & equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 30 June 2019	-	445,251	419,783	26,515	-	891,549
Additions	614,268	1,783	10,953	-	17,694	644,698
At 30 June 2020	614,268	447,034	430,736	26,515	17,694	1,536,247
<b>Accumulated depreciation and impairment</b>						
At 30 June 2019	-	443,039	287,313	23,845	-	754,197
Charge for the year	122,580	1,441	34,212	1,352	11,122	170,707
At 30 June 2020	122,580	444,480	321,525	25,197	11,122	924,904
<b>Carrying amount</b>						
At 30 June 2020	491,688	2,554	109,211	1,318	6,572	611,343
At 30 June 2019	-	2,212	132,470	2,670	-	137,352

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 9 Tangible fixed assets

(Continued)

Tangible fixed assets includes right-of-use assets, as follows:

Right-of-use assets	2020 £	2019 £
<b>Net values</b>		
Property	614,268	-
Motor vehicles	17,694	-
	<u>631,962</u>	<u>-</u>
<b>Depreciation charge for the year</b>		
Property	122,580	-
Motor vehicles	11,122	-
	<u>133,702</u>	<u>-</u>

### 10 Stocks

	2020 £	2019 £
Raw materials	1,698,585	1,939,780
Work in progress	640,787	1,869,548
	<u>2,339,372</u>	<u>3,809,328</u>

### 11 Debtors

	2020 £	2019 £
VAT recoverable	52,635	161,575
Amounts owed by fellow group undertakings	3,464,533	2,874,346
Other debtors	256,040	153,547
Prepayments and accrued income	89,813	87,937
	<u>3,863,021</u>	<u>3,277,405</u>

### 12 Creditors

		Due within one year		Due after one year	
	Notes	2020 £	2019 £	2020 £	2019 £
Creditors	13	2,475,381	4,007,722	-	-
Taxation and social security		144,762	119,523	-	-
Lease liabilities	14	126,555	-	377,062	-
		<u>2,746,698</u>	<u>4,127,245</u>	<u>377,062</u>	<u>-</u>

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 13 Creditors

	2020 £	2019 £
Trade creditors	1,181,109	3,008,914
Amounts owed to fellow group undertakings	1,119,508	932,591
Accruals and deferred income	165,850	57,907
Other creditors	8,914	8,310
	<u>2,475,381</u>	<u>4,007,722</u>

### 14 Lease liabilities

	2020 £	2019 £
<b>Maturity analysis</b>		
Within one year	136,633	-
In two to five years	390,000	-
<b>Total undiscounted liabilities</b>	<u>526,633</u>	<u>-</u>
Future finance charges and other adjustments	(23,016)	-
<b>Lease liabilities in the financial statements</b>	<u>503,617</u>	<u>-</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	126,555	-
Non-current liabilities	377,062	-
	<u>503,617</u>	<u>-</u>

#### Interest on lease liabilities

It is the company policy to lease certain assets under finance leases. The average lease term is 3 to 5 years. The average effective borrowing rate for the year was 2.23%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into full contingent rental payments.

The fair value of the company's lease obligations is approximately equal to their carrying amount.

Other leasing information is included in note 18.

# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £
Deferred tax asset at 1 July 2018	(24,000)
<b>Deferred tax movements in prior year</b>	
Credit to profit or loss	27,000
Deferred tax liability at 1 July 2019 and 30 June 2020	<u>3,000</u>

The deferred tax liability is expected to reverse within the next 2-3 years.

#### 16 Retirement benefit schemes

##### Defined contribution schemes

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

The total costs charged to income in respect of defined contribution plans is £79,480 (2019 - £61,870).

17 Share capital	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Issued and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

#### 18 Other leasing information

##### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2020 £	2019 £
Minimum lease payments under operating leases	-	104,440
	<u>-</u>	<u>104,440</u>



# TNA UK MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 18 Other leasing information

(Continued)

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

	2020 £	2019 £
<b>Operating leases apart from land and buildings</b>		
Between two and five years	-	2,220
	<u>          </u>	<u>          </u>

Information relating to lease liabilities is included in note 14.

### 19 Controlling party

Parent company TNA UK Manufacturing Ltd is TNA Australia Pty Ltd.

The largest and smallest group which consolidated accounts are prepared is TNA Australia Pty Ltd. Registered office is 24 Carter St, Sydney Olympic Park, Sydney, Australia 2141.