

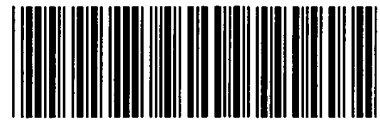
Registration number: 110186

Beatson Clark Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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Beatson Clark Limited

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Beatson Clark Limited

Company Information

Directors	J W Newman J D Clarkson L Sidebottom A P Bale R J Newman D Roberts
Company secretary	A P Bale
Registered office	The Glassworks Greasbrough Road Rotherham South Yorkshire S60 1TZ
Bankers	HSBC Bank PLC
Auditors	RSM UK Audit LLP Chartered Accountants Third Floor One London Square Cross Lanes Guildford GU1 1UN

Beatson Clark Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business

Results for the year

Turnover for the year ended 31 December 2021 was £68.4 million (2020: £68.8million), a small decrease of 0.5% (2020: 11.4% increase) compared to the previous year. The profit before taxation amounted to £7.6 million (2020: £7.5 million). The directors do not recommend the payment of a dividend (2020: nil).

The company performed well, despite the ongoing challenges of the Covid-19 pandemic, and management remain cautiously positive regarding future prospects. Key to the company's future success is the ongoing significant investment in the Rotherham facility.

The recycling centre has continued to be an important source of recycled glass cullet, the plant sorted 22,697 tonnes (2020: 19,909 tonnes) of mixed waste, of which 20,169 tonnes (2020: 17,968 tonnes) of glass cullet was reused in the company's production.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2021	2020
Turnover	£'000	68,394	68,771
Gross Margin	%	22	19
Stock	£'000	12,585	10,131

Financial instruments

The company uses financial instruments, including derivatives, comprising overdrafts, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Principal risks and uncertainties

Energy costs – prices are monitored on a daily basis and forward contracts negotiated where appropriate with key suppliers.

Pension funding – the company maintains a defined benefit pension scheme, which was closed to new entrants in 2013. Volatility of financial markets can affect the value of assets in the scheme and may result in the need to increase contributions to the scheme, with a consequent reduction in operating cash flows available for future investment in the business.

Insurance – the company endeavours to maintain adequate insurance levels for all appropriate insurable risks.

Major disruption / disaster – business continuity planning is reviewed regularly.

Competitive risk – the company is exposed to competitive risk in the market in which it operates. The company constantly monitors prices and undertakes regular market research to mitigate these risks.

Regulatory changes – the company monitors forthcoming and current legislation and ensures compliance.

Beatson Clark Limited

Strategic Report for the Year Ended 31 December 2021

Financial risk - the company uses financial instruments, including derivatives, comprising overdrafts, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk - the company finances its operation through a mixture of retained profits, bank loans, overdraft and borrowing from group companies. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk - the company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities. Debt is structured so repayments can be made out of cash generated through operations.

Currency risk - the company is exposed to transaction foreign exchange risk. Approximately 16.2% of turnover relates to export sales. Where possible the company will invoice in sterling, however approximately 10.4% is invoiced in either Euros or US dollars. These exposures, including those associated with forecast transactions, are hedged when known using forward currency contracts. Whilst the aim is to achieve an economic hedge the company does not adopt an accounting policy of hedge accounting for these financial statements.

Section 172(1) statement

The directors are constantly making decisions that impact the business and its stakeholders. Part of the process is the assessment of the probable impact that their decisions have for both the short and medium to long term and how they may affect the wider group of stakeholders. Choices are balanced to ensure the continued viability of not only the company as a whole but the individual elements that make up the whole.

Fundamental to the success of our businesses is the engagement of our employees and we are focusing our efforts on putting engagement at the heart of our strategy. We have invested in improving our organisational capabilities, hiring talent to ensure we fulfil our potential. We are also conscious of the diversity position across our employee base. We continue to develop the diversity of our team through our internal development and recruitment processes. We pay employees equally for equal roles. We remain committed to promoting apprenticeship schemes throughout the organisation, championing young talent and nurturing our experts of the future.

We strive to always act with integrity, transparency and professionalism. We look to do the right thing by our people, customers, suppliers and for our local communities to ensure our actions have a positive impact on society and the environment. Our sites are engaged in activities to take steps to support the local communities in which we operate. As an organisation, we hold ourselves to high ethical and business standards.

We strive to ensure that where we can we reduce our impact on both our neighbours and also the environment as a whole. We have recently purchased warehousing next door to our production facility to reduce the movement of product and also the number of daily vehicle movements on the site and also the wider area.

We strive to achieve the highest standards in all aspects of the business. Our aim is to project a professional persona delivering above and beyond expectations.

We are committed to employment policies that provide and promote equal employment opportunities for all or employees and applicants, and to maintaining a workplace that ensures tolerance, respect and dignity for all staff. No employee, applicant, contractor or temporary worker should be treated less favourably, victimised or harassed on the grounds of disability, sex, marital or civil partnership status, race, nationality, colour, ethnicity, religion or similar philosophical belief, sexual orientation, age or any distinction other than merit.

Beatson Clark Limited

Strategic Report for the Year Ended 31 December 2021

We continually review our procedures and our actions to proactively improve the way we do business and interact with all our stakeholders. We remain committed to the ethos of treating others in the manner and a way we would wish to be treated ourselves.

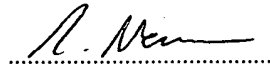
Engagement with employees

Fundamental to the success of our businesses is the engagement of our employees and we are focusing our efforts on putting engagement at the heart of our strategy. We have invested in improving our organisational capabilities, hiring talent to ensure we fulfil our potential. We are also conscious of the diversity position across our employee base. We continue to develop the diversity of our team through our internal development and recruitment processes. We pay employees equally for equal roles. We remain committed to promoting apprenticeship schemes throughout the organisation, championing young talent and nurturing our experts of the future.

Engagement with suppliers, customers and other relationships

We strive to always act with integrity, transparency and professionalism. We look to do the right thing by our people, customers, suppliers and for our local communities to ensure our actions have a positive impact on society and the environment. Our sites are engaged in activities to take steps to support the local communities in which we operate. As an organisation, we hold ourselves to high ethical and business standards.

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:



R J Newman
Director

Beatson Clark Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the company is the manufacture and distribution of glass bottles and jars for the pharmaceutical, food and drinks industries.

Director of the company

The directors who held office during the year were as follows:

J W Newman

J D Clarkson

L Sidebottom

A P Bale

R J Newman

D Roberts

Research and development

The company is committed to various projects to increase the efficiency and productivity of the manufacturing facility in Rotherham, including the design and production of lightweight containers, which use less material in their production but retain the integrity of the original container.

Employment of disabled persons

The company gives equal opportunities to disabled persons wherever possible both in recruitment and career development.

Engagement with employees

Fundamental to the success of our businesses is the engagement of our employees and we are focusing our efforts on putting engagement at the heart of our strategy. We have invested in improving our organisational capabilities, hiring talent to ensure we fulfil our potential. We are also conscious of the diversity position across our employee base. We continue to develop the diversity of our team through our internal development and recruitment processes. We pay employees equally for equal roles. We remain committed to promoting apprenticeship schemes throughout the organisation, championing young talent and nurturing our experts of the future.

Employee involvement

The directors attach the greatest importance to the development of employee involvement throughout the company based on good communications and working relationships. Consultation takes place through normal contacts with departments and in meetings at all levels of employees to assist the employees to become more aware of the financial and economic factors affecting the performance of the company.

Future developments

The company continues to listen to its customers and work with them to bring to the market high quality, distinctive products. The volatility of the global economic situation, will make 2022 another year of challenges and opportunities.

Beatson Clark Limited

Directors' Report for the Year Ended 31 December 2021

Environmental matters

Streamlined Energy & Carbon Reporting (SECR).

Under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, together with the accompanying government guidance 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019', the Company is entitled to take exemption from reporting on its energy consumption.

This information is instead reported at consolidated level in the financial statements of the Company's ultimate parent, Newship Group Limited.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor are unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of RSM UK Audit LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

The directors have chosen to show information relating to principal risks and uncertainties in the Strategic Report.

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:



R J Newman
Director

Beatson Clark Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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.

Beatson Clark Limited

Independent Auditor's Report to the Members of Beatson Clark Limited

Opinion

We have audited the financial statements of Beatson Clark Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Beatson Clark Limited

Independent Auditor's Report to the Members of Beatson Clark Limited

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and 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.

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 any material misstatements in the Strategic Report or 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 Statement of Directors' Responsibilities set out on page 7, 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Beatson Clark Limited

Independent Auditor's Report to the Members of Beatson Clark Limited

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations and pension law. We have performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, evaluating advice received from internal tax advisors and confirmed that the company continues to make pension contributions in line with the agreed contribution schedule.

The audit engagement team identified the risk of management override of controls and revenue cut-off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing a sample of revenue transactions either side of the balance sheet date, to determine whether they had been recognised in the correct financial period.

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

Beatson Clark Limited

Independent Auditor's Report to the Members of Beatson Clark Limited

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.

RSM UK Audit LLP

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Christopher Hurren BA FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
Third Floor
One London Square
Cross Lanes
Guildford
GU1 1UN

Date: *12/04/22*
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Beatson Clark Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	68,394	68,771
Cost of sales		<u>(53,524)</u>	<u>(55,875)</u>
Gross profit		14,870	12,896
Distribution costs		(6,346)	(5,900)
Administrative expenses		(5,605)	(5,371)
Other operating income	4	<u>4,744</u>	<u>6,064</u>
Operating profit	5	<u>7,663</u>	<u>7,689</u>
Interest payable on defined benefit pension scheme	18	(134)	(157)
Other interest receivable and similar income	6	61	-
Interest receivable/payable and similar charges	7	<u>(3)</u>	<u>(71)</u>
		<u>(76)</u>	<u>(228)</u>
Profit before tax on ordinary activities		7,587	7,461
Taxation	10	<u>(1,641)</u>	<u>(1,428)</u>
Profit for the financial year		<u><u>5,946</u></u>	<u><u>6,033</u></u>

The notes on pages 16 to 32 form an integral part of these financial statements.

Beatson Clark Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021


	Note	2021 £ 000	2020 £ 000
Profit for the year		5,946	6,033
Remeasurement gain / (loss) on defined benefit pension schemes	18	<u>7,557</u>	<u>(2,602)</u>
Total comprehensive income for the year		<u>13,503</u>	<u>3,431</u>

The notes on pages 16 to 32 form an integral part of these financial statements.

Beatson Clark Limited
(Registration number: 110186)
Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Tangible assets	11	28,623	30,599
Investments	12	937	937
		<u>29,560</u>	<u>31,536</u>
Current assets			
Stocks	13	12,585	10,131
Debtors	14	11,139	13,313
Cash at bank and in hand	15	10,583	3,435
		<u>34,307</u>	<u>26,879</u>
Creditors: Amounts falling due within one year	16	<u>(16,330)</u>	<u>(15,492)</u>
Net current assets		<u>17,977</u>	<u>11,387</u>
Total assets less current liabilities		47,537	42,923
Creditors: Amounts falling due after more than one year	16	(306)	(473)
Provisions for liabilities	17	<u>(586)</u>	<u>(645)</u>
Net assets excluding pension liability		<u>46,645</u>	<u>41,805</u>
Defined benefit pension liability	18	-	(10,695)
Deferred tax on pension liability		-	2,032
		<u>-</u>	<u>(8,663)</u>
Net assets		<u>46,645</u>	<u>33,142</u>
Capital and reserves			
Called up share capital	19	2,395	2,395
Revaluation reserve	20	5,292	5,292
Profit and loss account	20	38,958	25,455
Total equity		<u>46,645</u>	<u>33,142</u>

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:



 R J Newman
 Director

Beatson Clark Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	2,395	5,292	22,024	29,711
Profit for the year	-	-	6,033	6,033
Other comprehensive income	-	-	(2,602)	(2,602)
Total comprehensive income	-	-	3,431	3,431
At 31 December 2020	<u>2,395</u>	<u>5,292</u>	<u>25,455</u>	<u>33,142</u>

	Share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	2,395	5,292	25,455	33,142
Profit for the year	-	-	5,946	5,946
Other comprehensive income	-	-	7,557	7,557
Total comprehensive income	-	-	13,503	13,503
At 31 December 2021	<u>2,395</u>	<u>5,292</u>	<u>38,958</u>	<u>46,645</u>

The notes on pages 16 to 32 form an integral part of these financial statements.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital incorporated and domiciled in England & Wales.

The address of its registered office and principal place of business is:

The Glassworks
Greasbrough Road
Rotherham
South Yorkshire
S60 1TZ
England

These financial statements were authorised for issue by the Board on 29 March 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

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, including the provisions of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include certain financial instruments at fair value.

These financial statements are presented in sterling which is also the functional currency of the company.

Summary of disclosure exemptions

The company has taken advantage of the exemption from the following information, as permitted by the reduced disclosure regime within FRS 102:

Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.

Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Group accounts not prepared

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts which are filed at Companies House.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

Pension scheme

Significant impacts arise within the financial statements as a result of the changes in the assumptions in respect of the valuation of the pension scheme. In order to obtain a fair valuation, the directors take advice from external actuaries as to the assumptions to be used taking account of market data and conditions at the year end. The approximate sensitivity of the liabilities to some of the key assumptions are:

Discount rate

The effect of reducing the discount rate by 0.25% per annum would be to increase the liabilities by around £3,900,000.

Price inflation

The effect of increasing the price inflation assumption by 0.25% per annum would be to increase the liabilities by around £1,700,000.

Mortality

The effect of increasing the assumed life expectancy by 1 year would be to increase the liabilities by around £5,800,000.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee, or the lessee, where the group is a lessor

Deferred taxation

Deferred tax assets and liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

The deferred tax asset can be affected by the rate of corporation tax, which is outside the control of the directors and the level of recoverable losses within the company, the directors' view of recoverability of the losses will have a direct impact on the quantum of the deferred tax asset.

Stock provisioning

The stock provision is based on management assessment at the reporting date.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Going concern

Management monitor the COVID-19 situation regularly and will continue to take the measures necessary to safeguard the business and its stakeholders. At the time of approving the financial statements, based on trading results throughout the pandemic and future cash flow forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from time of approval. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Property held for the company's own use has been included at a deemed value. The difference between cost and deemed value is held in a revaluation reserve account.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold buildings	20 to 50 years
Plant, equipment, vehicles and moulds	between 2 and 25 years on cost or valuation according to type of asset

Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Financial instruments

Financial assets

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Financial liabilities and equity

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Defined benefit pension obligation

The company has a defined benefit pension scheme which is closed to future accrual.

Net interest on the net defined benefit liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations. The net interest is recognised in the profit and loss account.

Gains and losses arising from changes in actuarial assumptions and the difference between the interest income on the plan assets and the return on the plan assets are recognised in other comprehensive income.

The defined benefit scheme is funded, with the assets held separately from the company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected credit unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability and as asset recognised where the company has a right to recover monies from the scheme.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Sale of goods	<u>68,394</u>	<u>68,771</u>

The analysis of the company's turnover for the year by market is as follows:

	2021 £ 000	2020 £ 000
UK	57,330	56,316
Europe	9,073	7,845
Rest of world	<u>1,991</u>	<u>4,610</u>
	<u>68,394</u>	<u>68,771</u>

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Other income	4,595	5,377
Rent receivable	149	687
	4,744	6,064

5 Operating profit

Arrived at after charging/(crediting)

	2021 £ 000	2020 £ 000
Depreciation expense	6,040	6,137
Foreign exchange gains	-	(21)
Operating lease expense - property	170	688
Operating lease expense - plant and machinery	44	128
(Profit)/loss on disposal of property, plant and equipment	(4)	5
Audit of the financial statements	30	30
Government grant income	(167)	(183)
	(167)	(183)

Grant income is the unwinding of a regional development grant received by the company towards the rebuilding of one of the furnaces. The income is being recognised over the life of the furnace.

6 Other interest receivable and similar income

	2021 £ 000	2020 £ 000
Other finance income	61	-
	61	-

7 Interest payable and similar expenses

	2021 £ 000	2020 £ 000
Interest receivable/payable on other financial liabilities	3	71
	3	71

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	7,542	8,959
Social security costs	806	936
Pension costs, defined contribution scheme	1,404	1,373
Redundancy costs	-	5
Other employee expense	73	40
	<u>9,825</u>	<u>11,313</u>

Staff costs of the 'hot end' employees were recharged and are being accounted for in the Lewis & Towers Limited Financial Statements. Total costs recharged in the year were £5,583,000 (2020: £5,843,000).

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	183	188
Administration and support	12	14
Sales, marketing and distribution	27	27
	<u>222</u>	<u>229</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Remuneration	287	314
Contributions paid to money purchase schemes	10	10
	<u>297</u>	<u>324</u>

During the year the number of directors who were receiving benefits was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

In respect of the highest paid director:

	2021	2020
	£ 000	£ 000
Remuneration	159	178
Company contributions to money purchase pension schemes	<u>5</u>	<u>5</u>

10 Taxation

Tax charged/(credited) in the income statement

	2021	2020
	£ 000	£ 000
Current taxation		
UK corporation tax	1,440	1,448
Deferred taxation		
Relating to defined benefit pension scheme	260	255
Movement in deferred tax provision	<u>(59)</u>	<u>(275)</u>
Total deferred taxation	<u>201</u>	<u>(20)</u>
Tax expense in the income statement	<u><u>1,641</u></u>	<u><u>1,428</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
Profit before tax	<u>7,587</u>	<u>7,461</u>
Corporation tax at standard rate	1,442	1,418
Effect of revenues exempt from taxation	30	-
Effect of expense not deductible in determining taxable profit (tax loss)	-	92
Deferred tax credit relating to changes in tax rates or laws	(59)	(275)
Tax increase from effect of capital allowances and depreciation	266	261
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(38)</u>	<u>(68)</u>
Total tax charge	<u><u>1,641</u></u>	<u><u>1,428</u></u>

Under Finance Act 2021, which was substantively enacted on 24 May 2021, it was announced that the main rate of corporation tax would increase to 25% from 1 April 2023.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred tax

Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000
2021		
Tax losses carried forward	69	-
Accelerated capital allowances	-	655
	69	655
	69	655
2020		
Tax losses carried forward	52	-
Accelerated capital allowances	-	697
	52	697
	52	697

11 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2021	12,256	61,038	73,294
Additions	390	3,692	4,082
Disposals	(5)	(5,231)	(5,236)
	12,641	59,499	72,140
At 31 December 2021	12,641	59,499	72,140
Depreciation			
At 1 January 2021	1,425	41,270	42,695
Charge for the year	467	5,573	6,040
Eliminated on disposal	(5)	(5,213)	(5,218)
	1,887	41,630	43,517
At 31 December 2021	1,887	41,630	43,517
Carrying amount			
At 31 December 2021	10,754	17,869	28,623
At 31 December 2020	10,831	19,768	30,599

Included within the net book value of land and buildings above is £10,754,000 (2020 - £10,831,000) in respect of freehold land and buildings.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Investments in subsidiaries

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2021	937
At 31 December 2021	937
Carrying amount	
At 31 December 2021	937
At 31 December 2020	937

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Beatson Clark Trustees Limited	England and Wales	Ordinary	100%	100%
Lewis & Towers Limited	England and Wales	Ordinary	100%	100%

Subsidiary undertakings

Beatson Clark Trustees Limited

The principal activity of Beatson Clark Trustees Limited is that of a dormant company..

Lewis & Towers Limited

The principal activity of Lewis & Towers Limited is manufacture and sale of hollow glass containers..

Registered and operating addresses along with telephone numbers are shown on the Newship Limited website: www.newship.co.uk.

13 Stocks

	2021 £ 000	2020 £ 000
Raw materials and consumables	851	1,525
Finished goods and goods for resale	11,734	8,606
	12,585	10,131

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	7,744	11,461
Amounts owed by group undertakings	711	602
Prepayments	2,684	1,250
Total current trade and other debtors	11,139	13,313

15 Cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank	10,583	3,435
Bank overdrafts	-	(54)
Cash and cash equivalents	10,583	3,381

16 Creditors

	Note	2021 £ 000	2020 £ 000
Due within one year			
Loans and borrowings	21	-	54
Trade creditors		6,586	5,698
Amounts owed to group undertakings		2,003	1,636
Corporation tax liability		955	1,060
Social security and other taxes		1,191	1,223
Accrued expenses		4,179	5,609
Other payables and provisions		1,249	45
Deferred income		167	167
		16,330	15,492
Due after one year			
Deferred income		306	473

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

17 Provisions for liabilities

	Deferred tax	Total
	£ 000	£ 000
At 1 January 2021	645	645
Decrease in existing provisions	<u>(59)</u>	<u>(59)</u>
At 31 December 2021	<u>586</u>	<u>586</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,404,000 (2020 - £1,373,000).

Contributions totalling £31,000 (2020: £23,000) were payable to the fund at the year end and are included in creditors.

Defined benefit pension schemes

Beatson Clark Pension Scheme

The company operates a defined benefit scheme in the UK which has been closed to future accrual since 2016. A formal actuarial valuation was carried out at 30 June 2019 and updated to 31 December 2021 by a qualified independent actuary.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2021	2020
	£ 000	£ 000
Fair value of scheme assets	121,672	113,040
Present value of defined benefit obligation	<u>(112,999)</u>	<u>(123,735)</u>
	8,673	(10,695)
Other amounts not recognised in the statement of financial position	<u>(8,673)</u>	<u>-</u>
Defined benefit pension scheme deficit	<u>-</u>	<u>(10,695)</u>

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021 £ 000
Present value at start of year	123,735
Interest cost	1,632
Actuarial loss	(6,703)
Benefits paid	<u>(5,665)</u>
Present value at end of year	<u><u>112,999</u></u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £ 000
Fair value at start of year	113,040
Interest income	1,498
Return on plan assets, excluding amounts included in interest income/(expense)	11,299
Employer contributions	1,500
Benefits paid	<u>(5,665)</u>
Fair value at end of year	<u><u>121,672</u></u>

Analysis of assets

The major categories of scheme assets are as follows:

	2021 £ 000	2020 £ 000
Cash and cash equivalents	643	761
Equity instruments	65,807	56,957
Debt instruments	52,859	53,081
Property	<u>2,363</u>	<u>2,241</u>
	<u><u>121,672</u></u>	<u><u>113,040</u></u>

Return on scheme assets

	2021 £ 000	2020 £ 000
Return on scheme assets	<u>12,797</u>	<u>7,923</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021 %	2020 %
Discount rate	1.95	1.35
Future pension increases	3.55	3.30
Inflation	3.30	2.90

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	19.00	19.00
Future UK pensioners at retirement age - male	20.00	20.00

For scheme valuation purposes it has been assumed that retirement age is 65 years.

19 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.25 each	9,582	2,395.50	9,582	2,395.50

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

20 Reserves

Revaluation reserve

Cumulative impact of fair value adjustments to Property, Plant and Equipment

Profit and loss

The profit and loss account is made up of retained profits of the company

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Loans and borrowings

	2021 £ 000	2020 £ 000
Current loans and borrowings		
Bank overdrafts	-	54

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

22 Obligations under leases and hire purchase contracts

Operating leases - lessee

The total of future minimum lease payments is as follows:

	2021 £ 000	2020 £ 000
Not later than one year	195	295
Later than one year and not later than five years	188	40
	<u>383</u>	<u>335</u>

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2021 £ 000	2020 £ 000
Not later than one year	-	337
Later than one year and not later than five years	-	341
	<u>-</u>	<u>678</u>

Total contingent rents recognised as income in the period are £149,000 (2020 - £687,000).

23 Commitments

Capital commitments

At the year end the company was committed to make capital purchases in respect of machinery.

The total amount contracted for but not provided in the financial statements was £5,655,000 (2020 - £1,399,000).

Other financial commitments

The company enters into forward currency contracts for the purchase of known currency positions. At the balance sheet date the fair value of these contracts is not materially different from cost.

Beatson Clark Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

24 Related party transactions

Summary of transactions with other related parties

Related parties under common control and directorship.

Expenditure with and payables to related parties

	Other related parties £ 000
2021	
Leases	270
Amounts payable to related party	<u>17</u>
	Other related parties £ 000
2020	
Leases	297
Amounts payable to related party	<u>62</u>

The total amount owed to related parties at the balance sheet date is £17,000 (2020: £62,000). This amount is included within trade creditors at the year end.

25 Contingent liabilities

The company is part of an unlimited composite company bank guarantee agreement to secure and cross-guarantee the liabilities of each of the other companies. The co-signatories are Newship Limited, James Gibbons Format Limited, Pont Packaging BV and Lewis and Towers Limited.

The company is part of a VAT group with Lewis & Towers Limited. At the year end, the companies' potential exposure under this arrangement is equal to the VAT creditor in Lewis & Towers Limited.

26 Parent and ultimate parent undertaking

Newship Limited is the company's immediate parent and controlling party by virtue of its 100% interest in the company.

The company's immediate parent is Newship Limited, incorporated in England and Wales.

The ultimate parent is Newship Group Limited, incorporated in England and Wales.

The smallest group for which consolidated accounts including Beatson Clark Limited are prepared is Newship Limited. The most senior parent entity producing publicly available financial statements is Newship Group Limited. These financial statements are available upon request from Fernside Place, 179 Queens Road, Weybridge, Surrey, KT13 0AH

The ultimate controlling party is J W Newman.