

COMPANY REGISTRATION NUMBER: 01254215

**POLI-FILM UK LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**



**SAWFORD BULLARD**  
Accountants & statutory auditor  
The Old Mill  
Blisworth Hill Farm  
Stoke Road  
Blisworth  
Northampton  
NN7 3DB

**POLI-FILM UK LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

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**POLI-FILM UK LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

Mr P Beaver  
Mr H Byrne  
Mr O Berger

**Registered office**

7 Brunel Close  
Drayton Fields Industrial Estate  
Daventry  
Northamptonshire  
NN11 8RB

**Auditor**

Sawford Bullard  
Accountants & statutory auditor  
The Old Mill  
Blisworth Hill Farm  
Stoke Road  
Blisworth  
Northampton  
NN7 3DB

**Bankers**

National Westminster Bank plc  
44 High Street  
Daventry  
Northants  
NN11 4FZ

**POLI-FILM UK LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 DECEMBER 2021**

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

**Business review**

The principal activity of the company during the year was the conversion and distribution of protection film.

The company principally operates within the UK with modest sales to Ireland. Sales to other geographical markets are dealt with by other Group companies.

The Group is always active in developing new products and exploring the potential of new markets for its products.

In measuring the performance of the company the directors use sales volumes, margins, return on capital and market share as the key performance indicators.

The company has recovered well from the impact of the coronavirus with sales increasing by 27% compared to 2020 and by 17% compared to 2019.

Pre-tax profits have also recovered with an increase over over 50% compared to both 2020 and 2019.

A dividend of £1,000,000 was paid during the year, (2020: Nil).

The company's balance sheet remains strong with sufficient working capital to support future growth.

**Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks that include the effects of changes in prices, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company, this is summarised as follows:

**Price risk**

The company is exposed to raw material price volatility and the company manages this risk by reacting to price changes in a timely manner. Currency exchange rate exposure is managed by entering in to forward exchange contracts whenever rates of exchange are favourable.

**Credit risk**

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Customers are assigned credit limits and overdue debts are chased on a regular basis. The company also uses debtor insurance to mitigate risk as much as possible.

**Liquidity risk and interest rate risk**

The company actively monitors its liquidity and cash flow position to ensure it has sufficient cash in order to fund its activities and keep the cost of borrowing to a minimum.

# **POLI-FILM UK LIMITED**

## **STRATEGIC REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2021**

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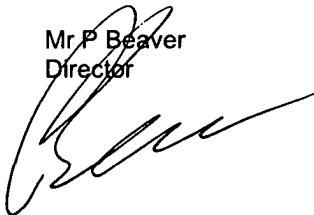
### **Future developments**

As a result of the free trade deal with the EU the company's UK operations have not be severely impacted by Brexit. However, to avoid double duty charges for goods supplied to Ireland and previously routed via the UK it has been necessary to re-route supply which has had a modest impact on distribution costs.

The financial year under review has seen significant growth created on the back of strong consumer demand for home improvement products. Whilst the directors are confident that the company will continue to maintain a strong performance they do not anticipate a repeat of the growth achieved during 2021.

This report was approved by the board of directors on 7 March 2022 and signed on behalf of the board by:

Mr P Beaver  
Director

A handwritten signature in black ink, appearing to be 'P Beaver', written over the printed name and title.

**POLI-FILM UK LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2021**

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

**Directors**

The directors who served the company during the year were as follows:

Mr P Beaver  
Mr H Byrne  
Mr O Berger

**Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

**Future developments**

The directors are confident that the company will continue to see future growth in sales volume and will endeavour to maintain margins and profitability.

**Financial instruments**

The strategic report details the financial risk management objectives and policies and the exposure to price, credit, liquidity and cashflow risk.

**Directors' responsibilities statement**

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 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**POLI-FILM UK LIMITED**  
**DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2021**

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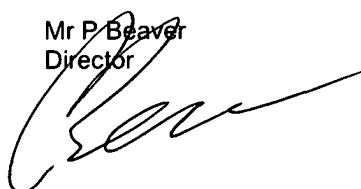
**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 7 March 2022 and signed on behalf of the board by:

Mr P Beaver  
Director

A handwritten signature in black ink, appearing to read 'P Beaver', written over the printed name and title.

# **POLI-FILM UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLI-FILM UK LIMITED**

**YEAR ENDED 31 DECEMBER 2021**

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### **Opinion**

We have audited the financial statements of Poli-Film UK Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

# **POLI-FILM UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLI-FILM UK LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2021**

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### **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.

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.

### **Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which 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.

# **POLI-FILM UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLI-FILM UK LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2021**

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### **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.

# **POLI-FILM UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLI-FILM UK LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2021**

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

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment by, for example, forged or intentional misrepresentations, or through collusion.

The company does not operate in a highly regulated industry and therefore the risk of material misstatement due to non compliance with laws and regulations is considered to be low. We focused on laws and regulations that are more prevalent to the company, including, but not limited to, the Companies Act 2006 and UK tax legislation.

Our tests comprised of;

Enquiry of management around actual and potential litigation and claims;

Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

There are inherent limitations in the audit procedures described above and the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

## **POLI-FILM UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLI-FILM UK LIMITED *(continued)***

#### **YEAR ENDED 31 DECEMBER 2021**

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# **POLI-FILM UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLI-FILM UK LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2021**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.

Neil K Sawford (Senior Statutory Auditor)

For and on behalf of  
Sawford Bullard  
Accountants & statutory auditor  
The Old Mill  
Blisworth Hill Farm  
Stoke Road  
Blisworth  
Northampton  
NN7 3DB

A handwritten signature in black ink, appearing to read 'Neil K Sawford', with a large, stylized flourish extending from the bottom right.

7 March 2022

**POLI-FILM UK LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Turnover</b>	<b>4</b>	<b>11,518,755</b>	9,065,280
Cost of sales		<u>8,944,928</u>	<u>7,090,626</u>
<b>Gross profit</b>		<b>2,573,827</b>	1,974,654
Distribution costs		<u>286,903</u>	245,640
Administrative expenses		<u>1,037,324</u>	943,972
Other operating income	<b>5</b>	<u>44,530</u>	42,026
<b>Operating profit</b>	<b>6</b>	<b>1,294,130</b>	827,068
Interest payable and similar expenses	<b>10</b>	<u>1,807</u>	<u>7,937</u>
<b>Profit before taxation</b>		<b>1,292,323</b>	819,131
Tax on profit	<b>11</b>	<u>245,178</u>	156,972
<b>Profit for the financial year and total comprehensive income</b>		<b><u>1,047,145</u></b>	<u>662,159</u>
Dividends paid and payable	<b>12</b>	<b>(1,000,000)</b>	–
<b>Retained earnings at the start of the year</b>		<b>2,479,046</b>	1,816,887
<b>Retained earnings at the end of the year</b>		<b><u>2,526,191</u></b>	<u>2,479,046</u>

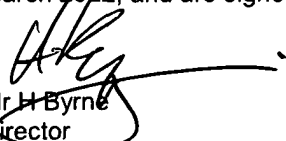
All the activities of the company are from continuing operations.

The notes on pages 15 to 24 form part of these financial statements.

**POLI-FILM UK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2021**

	Note	2021 £	£	2020 £
<b>Fixed assets</b>				
Tangible assets	13		160,118	165,858
<b>Current assets</b>				
Stocks	14	1,855,622		1,651,144
Debtors	15	2,044,428		1,847,301
Investments	16	500,000		1,000,000
Cash at bank and in hand		560,451		211,422
		<u>4,960,501</u>		<u>4,709,867</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>2,152,235</u>		<u>1,945,973</u>
<b>Net current assets</b>			<u>2,808,266</u>	<u>2,763,894</u>
<b>Total assets less current liabilities</b>			<u>2,968,384</u>	<u>2,929,752</u>
<b>Creditors: amounts falling due after more than one year</b>	19		26,276	27,884
<b>Provisions</b>				
Taxation including deferred tax	21		15,917	22,822
<b>Net assets</b>			<u>2,926,191</u>	<u>2,879,046</u>
<b>Capital and reserves</b>				
Called up share capital	24		400,000	400,000
Profit and loss account	25		2,526,191	2,479,046
<b>Shareholders funds</b>			<u>2,926,191</u>	<u>2,879,046</u>

These financial statements were approved by the board of directors and authorised for issue on 7 March 2022, and are signed on behalf of the board by:

  
Mr H Byrne  
Director

Company registration number: 01254215

The notes on pages 15 to 24 form part of these financial statements.

**POLI-FILM UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		1,047,145	662,159
<i>Adjustments for:</i>			
Depreciation of tangible assets		50,959	53,635
Interest payable and similar expenses		1,807	7,937
Gains on disposal of tangible assets		(5,727)	(9,572)
Tax on profit		245,178	156,972
Accrued (income)/expenses		(12,241)	31,379
<i>Changes in:</i>			
Stocks		(204,478)	284,819
Trade and other debtors		(197,127)	102,594
Trade and other creditors		(59,436)	41,776
Cash generated from operations		<u>866,080</u>	<u>1,331,699</u>
Interest paid		(1,807)	(7,937)
Tax paid		(194,970)	(146,509)
Net cash from operating activities		<u>669,303</u>	<u>1,177,253</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(53,492)	(85,962)
Proceeds from sale of tangible assets		14,000	12,001
Group company loans - advances		(500,000)	(1,000,000)
Group company loans - repayments		1,000,000	-
Net cash from/(used in) investing activities		<u>460,508</u>	<u>(1,073,961)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans from group undertakings		287,115	317,020
Payments of finance lease liabilities		8,792	32,439
Dividends paid		(1,000,000)	-
Net cash (used in)/from financing activities		<u>(704,093)</u>	<u>349,459</u>
<b>Net increase in cash and cash equivalents</b>		<u>425,718</u>	<u>452,751</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>134,733</u>	<u>(318,018)</u>
<b>Cash and cash equivalents at end of year</b>	17	<u>560,451</u>	<u>134,733</u>

The notes on pages 15 to 24 form part of these financial statements.

**POLI-FILM UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 7 Brunel Close, Drayton Fields Industrial Estate, Daventry, Northamptonshire, NN11 8RB.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Significant judgements**

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

**Useful lives of depreciable assets**

Management reviews its estimate of useful lives of depreciable assets at each accounting date, based on the expected useful life.

**Stocks**

Management estimates the net realisable values of stocks, taking into account the most reliable evidence available at each accounting date. The future realisation of the inventory may be affected by obsolescence or other market-driven changes that may reduce future selling prices.

# **POLI-FILM UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

### **YEAR ENDED 31 DECEMBER 2021**

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#### **3. Accounting policies** *(continued)*

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

# **POLI-FILM UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

### **YEAR ENDED 31 DECEMBER 2021**

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#### **3. Accounting policies** *(continued)*

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long Leasehold Property	-	20% straight line
Plant and Machinery	-	10% straight line
Fixtures and Fittings	-	10% - 20% Straight line
Motor vehicles	-	16% straight line

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies *(continued)*

##### Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 4. Turnover

Turnover arises from:

	2021 £	2020 £
Sale of goods	<u>11,518,755</u>	<u>9,065,280</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021 £	2020 £
United Kingdom	10,844,981	8,392,367
Overseas sales - Europe	<u>673,774</u>	<u>672,913</u>
	<u>11,518,755</u>	<u>9,065,280</u>

#### 5. Other operating income

	2021 £	2020 £
Other operating income	<u>44,530</u>	<u>42,026</u>

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

#### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	50,959	53,635
Gains on disposal of tangible assets	(5,727)	(9,572)
Impairment of trade debtors	<u>24,000</u>	<u>21,419</u>

#### 7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>8,928</u>	<u>8,928</u>

#### 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	5	5
Number of sales and administrative staff	<u>7</u>	<u>6</u>
	<u>12</u>	<u>11</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	467,544	416,363
Social security costs	49,781	48,356
Other pension costs	<u>18,039</u>	<u>17,515</u>
	<u>535,364</u>	<u>482,234</u>

#### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	<u>97,940</u>	<u>98,228</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

Directors remuneration include taxable benefits in kind with an equivalent cash value of £6,188, (2020: £5,828).

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

#### 10. Interest payable and similar expenses

	2021 £	2020 £
Interest on banks loans and overdrafts	–	5,803
Interest on obligations under finance leases and hire purchase contracts	1,736	1,643
Other interest payable and similar charges	71	491
	<u>1,807</u>	<u>7,937</u>

#### 11. Tax on profit

##### Major components of tax expense

	2021 £	2020 £
<b>Current tax:</b>		
UK current tax expense	252,141	150,029
Adjustments in respect of prior periods	(58)	82
Total current tax	<u>252,083</u>	<u>150,111</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(6,905)</u>	<u>6,861</u>
<b>Tax on profit</b>	<u>245,178</u>	<u>156,972</u>

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	<u>1,292,323</u>	<u>819,131</u>
Profit on ordinary activities by rate of tax	245,541	155,635
Adjustment to tax charge in respect of prior periods	(58)	82
Effect of expenses not deductible for tax purposes	979	520
Effect of capital allowances and depreciation	5,621	(6,126)
Movement in deferred taxation	<u>(6,905)</u>	<u>6,861</u>
Tax on profit	<u>245,178</u>	<u>156,972</u>

#### 12. Dividends

	2021 £	2020 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	<u>1,000,000</u>	<u>–</u>

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

#### 13. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	114,310	306,423	115,351	124,721	<b>660,805</b>
Additions	—	—	5,492	48,000	<b>53,492</b>
Disposals	—	—	(8,438)	(22,060)	<b>(30,498)</b>
<b>At 31 December 2021</b>	<b>114,310</b>	<b>306,423</b>	<b>112,405</b>	<b>150,661</b>	<b>683,799</b>
<b>Depreciation</b>					
At 1 January 2021	75,485	267,973	108,478	43,011	<b>494,947</b>
Charge for the year	13,240	6,284	6,995	24,440	<b>50,959</b>
Disposals	—	—	(8,438)	(13,787)	<b>(22,225)</b>
<b>At 31 December 2021</b>	<b>88,725</b>	<b>274,257</b>	<b>107,035</b>	<b>53,664</b>	<b>523,681</b>
<b>Carrying amount</b>					
<b>At 31 December 2021</b>	<b>25,585</b>	<b>32,166</b>	<b>5,370</b>	<b>96,997</b>	<b>160,118</b>
At 31 December 2020	38,825	38,450	6,873	81,710	165,858

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
<b>At 31 December 2021</b>	<b>86,156</b>
At 31 December 2020	56,403

#### 14. Stocks

	2021 £	2020 £
Raw materials and consumables	<b>1,855,622</b>	1,651,144

#### 15. Debtors

	2021 £	2020 £
Trade debtors	<b>1,974,392</b>	1,778,295
Amounts owed by group undertakings	<b>26,279</b>	28,372
Prepayments and accrued income	<b>43,757</b>	40,634
	<b>2,044,428</b>	1,847,301

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

#### 16. Investments

	2021 £	2020 £
Loans to Group companies	<u>500,000</u>	<u>1,000,000</u>

#### 17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2021 £	2020 £
Cash at bank and in hand	560,451	211,422
Bank overdrafts	<u>—</u>	(76,689)
	<u>560,451</u>	<u>134,733</u>

#### 18. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	—	76,689
Trade creditors	81,573	66,061
Amounts owed to group undertakings	1,348,200	1,061,085
Accruals and deferred income	91,304	103,545
Corporation tax	130,086	72,973
Social security and other taxes	472,642	547,898
Obligations under finance leases and hire purchase contracts	23,275	12,875
Other creditors	5,155	4,847
	<u>2,152,235</u>	<u>1,945,973</u>

#### 19. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Obligations under finance leases and hire purchase contracts	<u>26,276</u>	<u>27,884</u>

#### 20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021 £	2020 £
Not later than 1 year	23,275	12,875
Later than 1 year and not later than 5 years	<u>26,276</u>	<u>27,884</u>
	<u>49,551</u>	<u>40,759</u>

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

#### 21. Provisions

	Deferred tax (note 22) £
At 1 January 2021	22,822
Charge against provision	<u>(6,905)</u>
<b>At 31 December 2021</b>	<b><u>15,917</u></b>

#### 22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provisions (note 21)	<u>15,917</u>	<u>22,822</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Accelerated capital allowances	<u>15,917</u>	<u>22,822</u>

#### 23. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £18,039 (2020: £17,515).

#### 24. Called up share capital

##### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>

#### 25. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

# POLI-FILM UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2021

#### 26. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	211,422	349,029	560,451
Bank overdrafts	(76,689)	76,689	–
Debt due within one year	(1,073,960)	(297,515)	(1,371,475)
Debt due after one year	(27,884)	1,608	(26,276)
Current asset investments	1,000,000	(500,000)	500,000
	<u>32,889</u>	<u>(370,189)</u>	<u>(337,300)</u>

#### 27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	114,057	97,780
Later than 1 year and not later than 5 years	421,652	138,379
	<u>535,709</u>	<u>236,159</u>

#### 28. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
POLIFILM PROTECTION GmbH	47,668	37,231	452,332	905,032
Other Related Parties	<u>9,026,738</u>	<u>6,657,020</u>	<u>(1,274,253)</u>	<u>(937,746)</u>

During the year the company had trading relationships on normal trading terms with both the Parent Company POLIFILM PROTECTION GmbH and a number of companies within the group. These transactions included sales to, purchases from group companies, commissions received from and recharges to group companies. The net of these figures is shown above.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £97,940 (2020: £98,228).

#### 29. Controlling party

Mr Christian Runkel and Mr Bastian Runkel own a controlling interest in POLIFILM GmbH, a German registered company, which the directors regard as this company's ultimate holding company.