

Strategic Report, Report of the Directors and  
Financial Statements for the Period 1 May 2021 to 28 February 2022  
for  
Primasil Silicones Limited

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for the Period 1 May 2021 to 28 February 2022

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Primasil Silicones Limited

Company Information

for the Period 1 May 2021 to 28 February 2022

**DIRECTORS:**

N Davies  
G Micallef

**SECRETARY:**

I Elcock

**REGISTERED OFFICE:**

Kington Road  
Weobley  
Herefordshire  
HR4 8QU

**REGISTERED NUMBER:**

01357452 (England and Wales)

**AUDITORS:**

Arthur Gait and Company  
Chartered Accountants and Statutory Auditors  
18 Gold Tops  
Newport  
South Wales  
NP20 5WJ

Strategic Report  
for the Period 1 May 2021 to 28 February 2022

The directors present their strategic report for the period 1 May 2021 to 28 February 2022.

**REVIEW OF BUSINESS**

On 7 March 2022, the Company's parent company, Chase Products Limited, was acquired by Minnesota Rubber and Plastics Group, headquartered in Minneapolis U.S.A.

On 27 October 2022, Minnesota Rubber and Plastics Group was acquired by Trelleborg Sealing Solutions US Inc.. The directors consider that Trelleborg AB, a company registered in Sweden is now the ultimate parent company. There is no impact on the financial statements of these post balance sheet date acquisitions.

Turnover for the period ended 28 February 2022 was £11.4m (year ended 30 April 2021: £12.6m) and the profit after tax for the financial period was £0.4m (year ended 30 April 2021: £0.5m). Net assets at 28 February 2022 totalled £2.0m (30 April 2021: £2.2m). The directors believe that the Company remains in a strong position and is well placed to take advantage of opportunities following the acquisition activities after the balance sheet date.

Gross profit worsened to 36.1% (2021: 37.5%) due to material price inflation and the shortened period. Wages and salary costs as a proportion of revenue were consistent at 30.6% (2021: 30.8%). The operating margin has fallen to 2.9% (2020: 3.9%).

Strategic Report  
for the Period 1 May 2021 to 28 February 2022

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition from UK and overseas manufacturers, consumer demand and the price and availability of raw materials.

Competition risk is identified as the company continues to face a competitive landscape across most market areas. The failure to address this risk would result in loss of market share and thus a loss of profitability. The Company continues to focus on delivering good value and using, developing, and protecting intellectual property in order to provide solutions to customer problems rather than off the shelf parts. The company also services a range of market areas and the diversification of its offering over the aerospace and industrial sectors helps to protect against a large-scale loss of market share to any one segment specialist competitor.

Pricing and availability of raw materials is identified due to the potential for reductions in margins as a result of price increases and the potential for disruption in the supply chain due to availability constraints. 2021 and 2022 have seen global demand recovery very strongly following the 2020 Covid-19 recession. Global supply has not been able to keep pace, which has led to shortages in supply and high inflation. The Company continues to work closely with our partners to delay or reduce the impact of the market price increases and secure a steady supply. Where possible a second source of materials has also been secured to reduce exposure to individual suppliers. The Company has had to pass on price increases to customers where inflation of costs has been unavoidable.

Covid-19 had an ongoing impact on the Company during the period and while the circumstances remain dynamic, the Company has taken and continues to take assertive, steady action to help ensure that its employees as well as its supply chain remain healthy and strong. The areas of impact in the period have been absenteeism due to quarantine requirements, social distancing and other hygiene actions taken to address employee safety. The Company is now part of the bigger Trelleborg Group which has a solid financial base and which confirms continued access of the Company to its liquidities within the group cash pool. It continues to develop and implement contingency plans for Covid-19. These address various developments at all operations and, amongst other things, provides plans on how to maintain delivery of materials and products. Our Company response includes remote contact with customers and suppliers, safe physical interactions within the Company's facilities limiting face to face meetings, restricting visitors, increasing the number of hand wash stations, robust cleaning routines, publishing latest information and implementing smart working with home office, online meetings and communication, wherever possible. Overall disruption is now at a lower level than through the middle two quarters of 2020 and the UK vaccine program have been a catalyst to returning to normal work practices. Unfortunately, no one knows how long Covid-19 will cause disruption for, but the Company is working to maintain "business as usual" while being flexible and responsive to changing circumstances during this demanding period.

**Financial risk management**

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk and credit risk.

Foreign exchange risk arises from transactions when goods and services are bought and sold in currencies other than Sterling.

Interest rate risk includes exposure to changes in the UK Base Rate and LIBOR as interest rates are variable.

The effects of credit risk are controlled as the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed by the Board. The Board receives regular reports on amounts due and amounts significantly overdue and the relevant action taken.

As a subsidiary of Trelleborg AB (publ) further details of Group policies in relation to external financial risks can be found in the Annual Report and Financial Statements of Trelleborg AB (publ).

Strategic Report  
for the Period 1 May 2021 to 28 February 2022

**SECTION 172(1) STATEMENT**

The directors of the Company must act in accordance with the duties detailed in section 172 of the Companies Act 2006. Under Section 172 the directors must, in performance of their duties, give consideration to the following factors, where relevant:

- a) The likely consequences of any decision in the long-term;
- b) The interest of the company's employees;
- c) The need to foster the company's business relationships with suppliers, customers and others;
- d) The impact of the company's operations on the community and the environment;
- e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly as between members of the company.

The directors have identified the key stakeholders of the company as its members, employees, customers and suppliers. The directors, senior management and other employees engage with these key stakeholder groups, listening to their differing needs and priorities as an everyday part of its business to ensure that their input is considered and they make informed decisions, acting to promote the success of the company and to benefit the Company's members as a whole.

The strategic report, principal activities section, of the annual report highlights the key matters that have affected the business during the reporting period and where the directors have acted in accordance with Section 172 in respect of operational decisions.

Further details on Trelleborg Group's Corporate Governance, Core Values, Code of Conduct and annual consolidated financial statements can be found at [www.Trelleborg.com](http://www.Trelleborg.com).

**KEY PERFORMANCE INDICATORS ("KPIs")**

The Company's strategy is one of growth with improved profitability. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year, together with prior year comparative data is set out in the table below:

	Period ended 28 February 2022	Year ended 30 April 2021	Definition, method of calculation and analysis
Growth / (Decrease) in turnover (%)	(0.1)%	(0.07)%	Year-on-year turnover growth expressed as a percentage.
Return on turnover (%)	2.6%	3.5%	Return on turnover is the ratio of profit on ordinary activities before taxation to turnover expressed as a percentage. Return on turnover has worsened as a result of high material cost inflation.
Working capital turns	4.2	5.7	Working capital turns is the ratio of turnover to inventory plus trade debtors less trade creditors. Increases in receivables and inventory have driven the deterioration in working capital.

**ON BEHALF OF THE BOARD:**

N Davies - Director

24 November 2022

Report of the Directors  
for the Period 1 May 2021 to 28 February 2022

The directors present their report with the financial statements of the company for the period 1 May 2021 to 28 February 2022.

**DIVIDENDS**

Interim dividends per share on the Ordinary £1 shares were paid as follows:

£1	- 31 May 2021
£1	- 30 June 2021
£1	- 31 July 2021
£1	- 31 August 2021
£1	- 30 September 2021
£1	- 31 October 2021
£1	- 30 November 2021
£1	- 31 December 2021
£1	- 31 January 2022
£1	- 28 February 2022
<u>£1</u>	
<u>10</u>	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the 3 per cent non-cumulative preference £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the period ended 28 February 2022 will be £ 500,000 .

**RESEARCH AND DEVELOPMENT**

The company has a history of research and development activity which will increase as new opportunities are presented.

**FUTURE DEVELOPMENTS**

The Company expects to resume the balanced strategy of seeking sales growth in its core activities whilst enhancing operating margins. Disruption to material and equipment supplies across global markets and increasing material and overhead costs impacted on this strategy in 2022 and will continue to do so in 2023. Energy costs in particular have increased substantially, adding even more focus to the energy reduction programs planned.

On joining Trelleborg AB Group, the Company now looks forward to accelerating it's sales growth, taking advantage of the much larger sales force and distribution network.

The directors will continue to implement policies to maintain a strong balance sheet to ensure short and long-term liquidity.

**DIRECTORS**

J L Stoffel and J L Ward were appointed as Directors after the year end, but resigned prior to the date of this report.

N Davies and G Micallef were appointed as directors after 28 February 2022 but prior to the date of this report.

S J Wheeler , M R Wheeler , R Frost , A W Zarebski and Mrs S E Wheeler ceased to be directors after 28 February 2022 but prior to the date of this report.

Report of the Directors  
for the Period 1 May 2021 to 28 February 2022

**FINANCIAL INSTRUMENTS**

Working capital is provided by cash and short-term borrowings. Capital expenditure is funded by cash and/or longer term debt.

Regular management accounts allow for financial risks to be identified and addressed, with cross currency exposure the biggest current risk. This is managed by balancing invoicing and purchasing currencies wherever possible. The company does not currently hedge against these risks as the benefits of entering into such agreements is not considered to outweigh the costs.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

N Davies - Director

24 November 2022



## **Qualified Opinion**

We have audited the financial statements of Primasil Silicones Limited (the 'company') for the period ended 28 February 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 and of the company's 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 qualified 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 Auditors' 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. We were appointed as auditors after the period end and did not therefore observe the counting of physical inventories at 28 February 2022 and we were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 28 February 2022 of £2,510,104. Due to restrictions as a result of Covid 19 the counting of physical inventories at 30 April 2021 were not observed and we were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 April 2021 of £1,783,356.. Consequently we were unable to determine whether any adjustment to these amounts were necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) applicable law. Our responsibilities under those standards are further described in the Auditors' 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 qualified 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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 six, 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 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.

**Auditors' 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 a Report of the Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit testing might include testing complete populations of certain transactions and balances. However it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

The extent to which the audit was considered capable of detecting irregularities including fraud is detailed as follows:-

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Care Act 2014, various Care Quality Commission and Care Inspectorate Wales regulations, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with HMRC and the company's legal advisors.

Report of the Independent Auditors to the Members of  
Primasil Silicones Limited

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

Christine Pritchard FCA (Senior Statutory Auditor)  
for and on behalf of Arthur Gait and Company  
Chartered Accountants and Statutory Auditors  
18 Gold Tops  
Newport  
South Wales  
NP20 5WJ

28 November 2022

Income Statement  
for the Period 1 May 2021 to 28 February 2022

	Notes	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
<b>TURNOVER</b>	3	11,404,022	12,603,389
Cost of sales		<u>7,285,950</u>	<u>7,876,162</u>
<b>GROSS PROFIT</b>		4,118,072	4,727,227
Administrative expenses		<u>3,875,723</u>	<u>4,432,921</u>
		242,349	294,306
Other operating income		<u>93,586</u>	<u>200,102</u>
<b>OPERATING PROFIT</b>	5	335,935	494,408
Interest receivable and similar income		<u>-</u>	<u>7</u>
		335,935	494,415
Interest payable and similar expenses	6	<u>37,181</u>	<u>49,574</u>
<b>PROFIT BEFORE TAXATION</b>		298,754	444,841
Tax on profit	7	<u>(69,238)</u>	<u>(55,289)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u>367,992</u>	<u>500,130</u>

The notes form part of these financial statements

Other Comprehensive Income  
for the Period 1 May 2021 to 28 February 2022

	Notes	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
<b>PROFIT FOR THE PERIOD</b>		367,992	500,130
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>367,992</u>	<u>500,130</u>

Balance Sheet  
28 February 2022

	Notes	28.2.22 £	£	30.4.21 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		2,370,412		2,455,046
<b>CURRENT ASSETS</b>					
Stocks	10	2,510,104		1,783,357	
Debtors	11	2,570,658		2,479,718	
Cash at bank		<u>5,773</u>		<u>58,830</u>	
		5,086,535		4,321,905	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>4,739,997</u>		<u>3,716,609</u>	
<b>NET CURRENT ASSETS</b>			<u>346,538</u>		<u>605,296</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,716,950		3,060,342
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(659,157)		(801,303)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(32,626)</u>		<u>(101,864)</u>
<b>NET ASSETS</b>			<u>2,025,167</u>		<u>2,157,175</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		55,000		55,000
Share premium	19		15,320		15,320
Retained earnings	19		<u>1,954,847</u>		<u>2,086,855</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,025,167</u>		<u>2,157,175</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 November 2022 and were signed on its behalf by:

N Davies - Director

Statement of Changes in Equity  
for the Period 1 May 2021 to 28 February 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 May 2020</b>	55,000	2,186,725	15,320	2,257,045
<b>Changes in equity</b>				
Dividends	-	(600,000)	-	(600,000)
Total comprehensive income	-	500,130	-	500,130
<b>Balance at 30 April 2021</b>	<u>55,000</u>	<u>2,086,855</u>	<u>15,320</u>	<u>2,157,175</u>
<b>Changes in equity</b>				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	367,992	-	367,992
<b>Balance at 28 February 2022</b>	<u>55,000</u>	<u>1,954,847</u>	<u>15,320</u>	<u>2,025,167</u>



**Cash Flow Statement**  
for the Period 1 May 2021 to 28 February 2022

		Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	498,161	858,689
Interest element of hire purchase payments paid		(37,181)	(49,574)
Net cash from operating activities		<u>460,980</u>	<u>809,115</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(75,634)	(30,699)
Interest received		-	7
Net cash from investing activities		<u>(75,634)</u>	<u>(30,692)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(245,543)	(139,975)
Equity dividends paid		(500,000)	(600,000)
Net cash from financing activities		<u>(745,543)</u>	<u>(739,975)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(360,197)</u>	<u>38,448</u>
<b>Cash and cash equivalents at beginning of period</b>	26	(1,388,939)	(1,427,387)
<b>Cash and cash equivalents at end of period</b>	26	<u>(1,749,136)</u>	<u>(1,388,939)</u>

Notes to the Financial Statements  
for the Period 1 May 2021 to 28 February 2022

**1. STATUTORY INFORMATION**

Primasil Silicones Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal activity of the company is the manufacture, design and development of fluorosilicone, silicone and fluorocarbon compounds, mouldings and extrusions.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

**Significant judgements and estimates**

The company makes estimates and assumptions concerning the future, and judgements in applying the company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the actual results. There were no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

**Turnover**

Turnover represents amounts invoiced by the company in respect of goods and services provided and the value of work done, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 20% on cost
Motor vehicles	- 25% on reducing balance

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Net realisable value is based on selling price less anticipated costs to completion and selling costs.

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
United Kingdom	7,119,499	7,518,050
Europe	3,647,801	4,670,423
Rest of world	636,722	414,916
	<u>11,404,022</u>	<u>12,603,389</u>

4. **EMPLOYEES AND DIRECTORS**

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Wages and salaries	2,982,261	3,339,178
Social security costs	243,196	232,927
Other pension costs	272,481	317,128
	<u>3,497,938</u>	<u>3,889,233</u>

The average number of employees during the period was as follows:

	Period 1.5.21 to 28.2.22	Year Ended 30.4.21
Administration and support	33	32
Production	111	110
	<u>144</u>	<u>142</u>

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Directors' remuneration	215,423	233,028
Directors' pension contributions to money purchase schemes	<u>12,677</u>	<u>14,310</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

4. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Emoluments etc	84,605	101,603
Pension contributions to money purchase schemes	<u>6,298</u>	<u>7,835</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Other operating leases	212,173	274,160
Depreciation - owned assets	160,338	183,931
Depreciation - assets on hire purchase contracts	132,088	159,808
Loss on disposal of fixed assets	-	90
Auditors' remuneration	12,000	7,000
Foreign exchange differences	<u>(5,167)</u>	<u>9,486</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Hire purchase interest	<u>37,181</u>	<u>49,574</u>

7. **TAXATION**

**Analysis of the tax credit**

The tax credit on the profit for the period was as follows:

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Deferred tax:		
Origination and reversal of timing differences	(69,238)	(55,289)
Tax on profit	<u>(69,238)</u>	<u>(55,289)</u>

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

7. **TAXATION - continued**

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Profit before tax	<u>298,754</u>	<u>444,841</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	56,763	84,520
Effects of:		
Capital allowances in excess of depreciation	(11,167)	-
Research and development tax credit differences	(114,834)	(139,809)
Total tax credit	<u>(69,238)</u>	<u>(55,289)</u>

8. **DIVIDENDS**

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Ordinary shares of £1 each		
Interim	<u>500,000</u>	<u>600,000</u>

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 May 2021	5,797,000	797,969	128,086	6,723,055
Additions	205,177	2,615	-	207,792
Disposals	-	-	(19,106)	(19,106)
At 28 February 2022	<u>6,002,177</u>	<u>800,584</u>	<u>108,980</u>	<u>6,911,741</u>
<b>DEPRECIATION</b>				
At 1 May 2021	3,500,720	717,542	49,747	4,268,009
Charge for period	250,934	25,171	16,321	292,426
Eliminated on disposal	-	-	(19,106)	(19,106)
At 28 February 2022	<u>3,751,654</u>	<u>742,713</u>	<u>46,962</u>	<u>4,541,329</u>
<b>NET BOOK VALUE</b>				
At 28 February 2022	<u>2,250,523</u>	<u>57,871</u>	<u>62,018</u>	<u>2,370,412</u>
At 30 April 2021	<u>2,296,280</u>	<u>80,427</u>	<u>78,339</u>	<u>2,455,046</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 May 2021	1,318,104	45,021	108,980	1,472,105
Additions	120,000	-	-	120,000
Transfer to ownership	(35,550)	(26,165)	-	(61,715)
At 28 February 2022	<u>1,402,554</u>	<u>18,856</u>	<u>108,980</u>	<u>1,530,390</u>
<b>DEPRECIATION</b>				
At 1 May 2021	212,622	19,731	30,641	262,994
Charge for period	109,216	6,551	16,321	132,088
Transfer to ownership	(21,693)	(18,059)	-	(39,752)
At 28 February 2022	<u>300,145</u>	<u>8,223</u>	<u>46,962</u>	<u>355,330</u>
<b>NET BOOK VALUE</b>				
At 28 February 2022	<u>1,102,409</u>	<u>10,633</u>	<u>62,018</u>	<u>1,175,060</u>
At 30 April 2021	<u>1,105,482</u>	<u>25,290</u>	<u>78,339</u>	<u>1,209,111</u>

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

10. **STOCKS**

	28.2.22	30.4.21
	£	£
Raw materials	1,455,536	1,043,972
Work-in-progress & finished goods	1,054,568	739,385
	<u>2,510,104</u>	<u>1,783,357</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	28.2.22	30.4.21
	£	£
Trade debtors	2,447,232	2,101,824
Amounts owed by group undertakings	93,691	280,149
Other debtors	-	4,096
Prepayments and accrued income	29,735	93,649
	<u>2,570,658</u>	<u>2,479,718</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	28.2.22	30.4.21
	£	£
Bank loans and overdrafts (see note 14)	1,754,909	1,447,769
Hire purchase contracts (see note 15)	340,974	324,371
Trade creditors	2,255,773	1,679,646
Social security and other taxes	84,778	75,271
VAT	35,481	10,536
Directors' current accounts	193,511	-
Accruals and deferred income	74,571	179,016
	<u>4,739,997</u>	<u>3,716,609</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	28.2.22	30.4.21
	£	£
Hire purchase contracts (see note 15)	<u>659,157</u>	<u>801,303</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	28.2.22	30.4.21
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,754,909</u>	<u>1,447,769</u>



Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 28.2.22	30.4.21
	£	£
Net obligations repayable:		
Within one year	340,974	324,371
Between one and five years	659,157	801,303
	<u>1,000,131</u>	<u>1,125,674</u>
	Non-cancellable	operating leases
	28.2.22	30.4.21
	£	£
Within one year	35,634	13,424
Between one and five years	37,456	9,975
	<u>73,090</u>	<u>23,399</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	28.2.22	30.4.21
	£	£
Bank overdrafts	1,754,909	1,447,769
Hire purchase contracts	1,000,131	1,125,674
	<u>2,755,040</u>	<u>2,573,443</u>

The company's bankers hold a cross guarantee and debenture (see note 22 for further details). They also hold a mortgage debenture over the company's fixed and floating assets. The short term loan is secured by an all assets debenture over the company's fixed and floating assets. Liabilities under hire purchase contracts are secured specifically on the underlying asset.

17. **PROVISIONS FOR LIABILITIES**

	28.2.22	30.4.21
	£	£
Deferred tax		
Accelerated capital allowances	436,599	330,633
Tax losses carried forward	(399,531)	(224,775)
Other timing differences	(4,442)	(3,994)
	<u>32,626</u>	<u>101,864</u>

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

17. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 May 2021	101,864
Provided during period	(69,238)
Balance at 28 February 2022	<u>32,626</u>

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			28.2.22	30.4.21
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	50,000	50,000
5,000	3 per cent non-cumulative preference	£1	<u>5,000</u>	<u>5,000</u>
			<u>55,000</u>	<u>55,000</u>

The 3 per cent non-cumulative preference shares of £1 each have attached thereto the rights and privileges and being subject to the restrictions and provisions set out below, namely:

- the right to receive, out of the profits of the company available for distribution and from time to time determined to be distributed by way of dividend, a fixed non-cumulative dividend at the rate of 3 per cent per annum on the amounts paid up thereon in priority to any dividend paid on the ordinary shares of the company
- the right on a return of capital on liquidation or otherwise to repayment of the amounts paid up thereon in priority to any payment in respect of the ordinary shares of the company
- the preference shares shall not carry the right to receive notice of or to attend and vote at any general meeting of the company and shall not carry any other right to participate in the profits or assets of the company

19. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 May 2021	2,086,855	15,320	2,102,175
Profit for the period	367,992		367,992
Dividends	<u>(500,000)</u>		<u>(500,000)</u>
At 28 February 2022	<u>1,954,847</u>	<u>15,320</u>	<u>1,970,167</u>

20. **PENSION COMMITMENTS**

Contributions totalling £23,377 (2021 - £21,235) were payable to the scheme at the end of the year and are included in creditors.

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

21. **ULTIMATE PARENT COMPANY**

Trelleborg AB, a company registered in Sweden, is regarded by the directors as being the company's ultimate parent company.

The immediate parent company is Chase Products Limited.

22. **CONTINGENT LIABILITIES**

The company and Chase Products Limited, its parent company, are party to a cross guarantee given to Santander in respect of group overdraft and loan facilities. The amount guaranteed is £795,735 (2020 - £526,020).

23. **CAPITAL COMMITMENTS**

	28.2.22 £	30.4.21 £
Contracted but not provided for in the financial statements	-	110,239

24. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

25. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.5.21 to 28.2.22 £	Year Ended 30.4.21 £
Profit before taxation	298,754	444,841
Depreciation charges	292,426	343,739
Loss on disposal of fixed assets	-	90
Finance costs	37,181	49,574
Finance income	-	(7)
	628,361	838,237
(Increase)/decrease in stocks	(726,747)	170,478
Increase in trade and other debtors	(154,854)	(195,924)
Increase in trade and other creditors	751,401	45,898
<b>Cash generated from operations</b>	<b>498,161</b>	<b>858,689</b>

Notes to the Financial Statements - continued  
for the Period 1 May 2021 to 28 February 2022

26. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 28 February 2022**

	28.2.22 £	1.5.21 £
Cash and cash equivalents	5,773	58,830
Bank overdrafts	(1,754,909)	(1,447,769)
	<u>(1,749,136)</u>	<u>(1,388,939)</u>

**Year ended 30 April 2021**

	30.4.21 £	1.5.20 £
Cash and cash equivalents	58,830	43,203
Bank overdrafts	(1,447,769)	(1,470,590)
	<u>(1,388,939)</u>	<u>(1,427,387)</u>

27. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.5.21 £	Cash flow £	Other non-cash changes £	At 28.2.22 £
<b>Net cash</b>				
Cash at bank	58,830	(53,057)		5,773
Bank overdrafts	(1,447,769)	(307,140)		(1,754,909)
	<u>(1,388,939)</u>	<u>(360,197)</u>		<u>(1,749,136)</u>
<b>Debt</b>				
Finance leases	(1,125,674)	245,543	-	(1,000,131)
	<u>(1,125,674)</u>	<u>245,543</u>	-	<u>(1,000,131)</u>
<b>Total</b>	<u>(2,514,613)</u>	<u>(114,654)</u>	-	<u>(2,749,267)</u>

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