

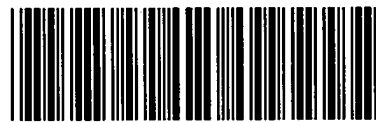
Registered number: 02362849

Polyplas Extrusions Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2022

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Polyplas Extrusions Limited

Company Information

Directors	G Horrobin S Jones
Registered number	02362849
Registered office	Airfield Industrial Estate Blenheim Road Ashbourne Derbyshire DE6 1HA
Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH

Polyplas Extrusions Limited

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Polyplas Extrusions Limited

Directors' Report For the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company continued to be that of manufacturing plastic extrusions, specialising in thermoplastic profile extrusions of a bespoke or custom designed nature.

Directors

The directors who served during the year were:

G Horrobin
S Jones

Directors' responsibilities statement

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

Engagement with suppliers, customers and others

As a business we forge close relationships with all key customers and suppliers. Each key customer has a designated business development manager who works closely with various contacts within customer organisations. We maintain constant dialogue with all key suppliers, with the most important of these having direct contact with the CEO.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Polyplas Extrusions Limited

**Directors' Report (continued)
For the Year Ended 31 December 2022**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The directors, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 3 April 2023 and signed on its behalf.



**G Horrobin
Director**

Independent Auditors' Report to the Members of Polyplas Extrusions Limited

Opinion

We have audited the financial statements of Polyplas Extrusions Limited (the 'company') for the year ended 31 December 2022, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council'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.

Independent Auditors' Report to the Members of Polyplas Extrusions Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

Independent Auditors' Report to the Members of Polyplas Extrusions Limited (continued)

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the plastic extrusions sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and 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;
- 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 set out in Note 3 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, relevant regulators and the company's legal advisors.

Independent Auditors' Report to the Members of Polyplas Extrusions Limited (continued)


Auditors' responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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.

A handwritten signature in black ink that reads "Dain Audit Limited". The signature is written in a cursive, flowing style.

Mark Hargate FCA (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

3 April 2023

Polyplas Extrusions Limited

**Profit and Loss Account
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	4	6,218,039	5,715,928
Cost of sales		(3,308,695)	(2,939,543)
Gross profit		2,909,344	2,776,385
Distribution costs		(506,959)	(478,460)
Administrative expenses		(1,310,709)	(1,067,982)
Other operating income	5	45,473	37,406
Operating profit	6	1,137,149	1,267,349
Interest receivable and similar income	9	14,088	20,737
Interest payable and similar expenses	10	(92)	-
Profit before tax		1,151,145	1,288,086
Tax on profit	11	(211,240)	(303,289)
Profit for the financial year		939,905	984,797

The notes on pages 11 to 25 form part of these financial statements.

Polyplas Extrusions Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2022**

	2022 £	2021 £
Profit for the financial year	939,905	984,797
Total comprehensive income for the year	939,905	984,797

The notes on pages 11 to 25 form part of these financial statements.

Polyplas Extrusions Limited
Registered number:02362849

Balance Sheet
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	25,760	20,200
Tangible assets	14	1,465,372	1,229,257
		<u>1,491,132</u>	<u>1,249,457</u>
Current assets			
Stocks	15	731,063	785,789
Debtors	16	2,084,448	2,803,943
Cash at bank and in hand	17	906,176	511,956
		<u>3,721,687</u>	<u>4,101,688</u>
Creditors: amounts falling due within one year	18	(641,978)	(803,793)
Net current assets		<u>3,079,709</u>	<u>3,297,895</u>
Total assets less current liabilities		<u>4,570,841</u>	<u>4,547,352</u>
Provisions for liabilities			
Deferred tax	19	(332,000)	(263,624)
Net assets		<u><u>4,238,841</u></u>	<u><u>4,283,728</u></u>
Capital and reserves			
Called up share capital	20	7,400	7,400
Capital redemption reserve	21	2,600	2,600
Profit and loss account	21	4,228,841	4,273,728
		<u><u>4,238,841</u></u>	<u><u>4,283,728</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2023.



G Horrobin
Director

The notes on pages 11 to 25 form part of these financial statements.

Polyplas Extrusions Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2021	7,400	2,600	4,191,065	4,201,065
Profit for the year	-	-	984,797	984,797
Dividends: Equity capital	-	-	(902,134)	(902,134)
At 31 December 2021	7,400	2,600	4,273,728	4,283,728
Profit for the year	-	-	939,905	939,905
Dividends: Equity capital	-	-	(984,792)	(984,792)
At 31 December 2022	7,400	2,600	4,228,841	4,238,841

The notes on pages 11 to 25 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

1. General information

Polyplas Extrusions Limited is a private company, limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page.

The principal activity of the company is that of manufacturing plastic extrusions, specialising in thermoplastic profile extrusions of a bespoke or custom designed nature.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently, other than where new policies have been adopted:

2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Surteco Group SE as at 31 December 2022 and these financial statements may be obtained from Johan-Viktor-Bausch-Str. 2, D-86647, Bittenwiesen-Pfaffenhofen, Germany.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Other operating income

Research and Development Expenditure Credits receivable are recognised in income on an accruals basis, when they can be accurately measured.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

Development expenditure

Internal development costs for technically feasible projects that are expected to generate future economic benefits are initially recognised at cost. After recognition, under the cost model, development costs are measured at cost less any accumulated amortisation and any accumulated impairment losses. Development costs are amortised on a straight line basis to the Profit and loss account over a period of 8 years.

Development costs not meeting the criteria for capitalisation, and research expenditure, are recognised as an expense in the period in which they are incurred.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following bases:

Leasehold improvements, plant and machinery, fittings and equipment	- 5 - 15 years straight line
Motor vehicles	- 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Creditors

Short-term creditors are measured at the transaction price.

2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to group undertakings.

2.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Operating leases: the company as lessee

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

2.18 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Management is required to exercise judgement in estimating the slow moving stock provision, which takes into account the ageing of stock, its likelihood of being sold or being used in future, and its estimated resale value.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

Actual results could differ from those estimated. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company which is in relation to the sale of goods.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	5,944,708	5,441,772
Rest of Europe	231,898	247,962
Rest of the world	41,433	26,194
	<u>6,218,039</u>	<u>5,715,928</u>

Notes to the Financial Statements
For the Year Ended 31 December 2022

5. Other operating income

	2022 £	2021 £
Research and Development Expenditure Credit	45,473	32,676
Government grants receivable	-	4,730
	<u>45,473</u>	<u>37,406</u>

The Company has been eligible to claim from the government support schemes in response to the Covid-19 outbreak.

The Company furloughed certain staff under the government's Coronavirus Job Retention Scheme (CJRS). The funding received of £Nil (2021 - £4,730) relates to claims made in respect of the year.

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Research and development charged as an expense	349,790	251,354
Depreciation of tangible fixed assets	183,963	156,318
Amortisation of intangible assets, including goodwill	21,721	27,856
Exchange differences	(3,308)	(1,011)
Other operating lease rentals	170,418	161,905
Defined contribution pension cost	25,297	18,875

7. Auditors' remuneration

During the year, the company obtained the following services from the company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,450	6,150
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	3,375	3,075
All other services	-	450

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	1,153,911	1,048,551
Social security costs	106,856	82,180
Other pension costs	25,297	18,875
	<u>1,286,064</u>	<u>1,149,606</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Production	17	11
Selling and distribution	6	8
Administration	6	8
Management	2	2
	<u>31</u>	<u>29</u>

9. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	14,088	20,491
Other interest receivable	-	246
	<u>14,088</u>	<u>20,737</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	92	-
	<u>92</u>	<u>-</u>

Notes to the Financial Statements
For the Year Ended 31 December 2022

11. Tax on profit

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	142,864	225,258
Total current tax	<u>142,864</u>	<u>225,258</u>
Deferred tax		
Origination and reversal of timing differences	51,966	19,423
Effect of tax rate change on opening balance	16,410	58,608
Total deferred tax	<u>68,376</u>	<u>78,031</u>
Taxation on profit	<u>211,240</u>	<u>303,289</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	1,151,145	1,288,086
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	218,718	244,736
Effects of:		
Expenses not deductible for tax purposes	287	195
Other differences leading to a decrease in the tax charge	(24,175)	(250)
Remeasurement of deferred tax for changes in tax rates	16,410	58,608
Total tax charge for the year	<u>211,240</u>	<u>303,289</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% had been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2022

12. Dividends

	2022 £	2021 £
Dividends paid £133.08 (2021 - £121.91) per equity share	984,792	902,134

13. Intangible assets

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 January 2022	258,263	27,827	286,090
Additions - internal	27,281	-	27,281
At 31 December 2022	285,544	27,827	313,371
Amortisation			
At 1 January 2022	238,063	27,827	265,890
Charge for the year	21,721	-	21,721
At 31 December 2022	259,784	27,827	287,611
Net book value			
At 31 December 2022	25,760	-	25,760
At 31 December 2021	20,200	-	20,200

14. Tangible fixed assets

	Leasehold improvements, plant and machinery, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2022	2,908,424	87,133	2,995,557
Additions	420,078	-	420,078
At 31 December 2022	3,328,502	87,133	3,415,635
Depreciation			
At 1 January 2022	1,679,167	87,133	1,766,300
Charge for the year	183,963	-	183,963
At 31 December 2022	1,863,130	87,133	1,950,263
Net book value			
At 31 December 2022	1,465,372	-	1,465,372
At 31 December 2021	1,229,257	-	1,229,257

Polyplas Extrusions Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

15. Stocks

	2022	2021
	£	£
Raw materials and consumables	404,145	524,029
Finished goods and goods for resale	326,918	261,760
	<u>731,063</u>	<u>785,789</u>

16. Debtors

	2022	2021
	£	£
Trade debtors	871,306	956,920
Amounts owed by group undertakings	999,496	1,712,026
Other debtors	97,609	378
Prepayments and accrued income	116,037	134,619
	<u>2,084,448</u>	<u>2,803,943</u>

17. Cash at bank and in hand

	2022	2021
	£	£
Cash at bank and in hand	906,176	511,956

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	409,040	541,173
Corporation tax	-	7,582
Other taxation and social security	107,924	82,355
Other creditors	7,440	8,927
Accruals and deferred income	117,574	163,756
	<u>641,978</u>	<u>803,793</u>

Notes to the Financial Statements
For the Year Ended 31 December 2022

19. Deferred tax

	2022 £	2021 £
At beginning of year	263,624	185,593
Charged to profit or loss	68,376	78,031
At end of year	332,000	263,624

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	333,000	264,234
Short term timing differences	(1,000)	(610)
	332,000	263,624

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
7,400 (2021 - 7,400) Ordinary shares of £1.00 each	7,400	7,400

21. Reserves

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve arising upon the redemption or purchase of a company's own shares.

Profit and loss account

The profit and loss account reserve represents cumulative profit or losses, net of dividends paid and other adjustments.

Notes to the Financial Statements
For the Year Ended 31 December 2022

22. Capital commitments

At 31 December 2022 the company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	<u>90,054</u>	<u>92,084</u>

23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,297 (2021 - £18,875). Contributions totaling £6,302 (2021 - £5,882) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Land and buildings		
Not later than 1 year	144,188	124,500
Later than 1 year and not later than 5 years	498,000	498,000
Later than 5 years	280,125	404,625
	<u>922,313</u>	<u>1,027,125</u>
	2022 £	2021 £
Other		
Not later than 1 year	17,769	9,853
Later than 1 year and not later than 5 years	41,153	28,739
	<u>58,922</u>	<u>38,592</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

25. Related party transactions

During the year the company charged Nenplas Limited, its immediate parent company, £55,293 (2021 - £110,095) for the supply of goods. At the balance sheet date £Nil (2021 - £Nil) was owed from Nenplas Limited. Also during the year the company made purchases of goods of £520,632 (2021 - £468,771) from Nenplas Limited and was charged a management charge of £381,503 (2021 - £362,500) from Nenplas Limited.

At the balance sheet date, £993,064 (2021 - £1,712,026) was due from Surteco Group SE, the ultimate parent undertaking. Interest is charged on the loan at the reference rate per annum. During the year, interest of £14,088 (2021 - £20,491) was charged to Surteco Group SE.

During the year, the company charged Döllken Profiles GmbH, a subsidiary of Surteco Group SE, £10,654 (2021 - £11,600) for the supply of goods. At the balance sheet date £Nil (2021 - £Nil) was owed from Döllken Profiles GmbH.

During the year, the company charged Döllken Sp. z.o.o., a subsidiary of Surteco Group SE, £44,742 (2021 - £17,182) for the supply of goods. At the balance sheet date £6,432 (2021 - £Nil) was owed from Döllken Sp. z.o.o..

26. Controlling party

At 31 December 2022, the immediate parent undertaking is Nenplas Limited, a company incorporated in England and Wales and registered in England and Wales. Copies of the financial statements for Nenplas Limited can be obtained from its registered office, Airfield Industrial Estate, Blenheim Road, Ashbourne, Derbyshire, DE6 1HA.

At 31 December 2022, the ultimate parent undertaking is Surteco Group SE, a company incorporated and registered in Germany.

The parent undertaking of the smallest and largest group to consolidate their financial statements is Surteco Group SE, a company incorporated and registered in Germany. Copies of these financial statements can be obtained from Johan-Viktor-Bausch-Str. 2, D-86647, Buttenwiesen-Pfaffenhofen, Germany.