
MATRIX POLYMERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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MATRIX POLYMERS LIMITED

COMPANY INFORMATION

Directors	M L Coles J Hohenbuhel S Wallington A Quaratino M Morgan G Prestigiovanni (resigned 15 June 2017)
Company secretary	S Wallington
Registered number	02626784
Registered office	The Priory Orchard Hill Northampton NN3 9AG
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

MATRIX POLYMERS LIMITED

CONTENTS

	Page
Group strategic report	1 - 2
Directors' report	3 - 5
Independent auditor's report	6 - 8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated statement of changes in equity	12 - 13
Company statement of changes in equity	14
Notes to the financial statements	15 - 35

MATRIX POLYMERS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The Directors present their strategic report for the Group consisting of Matrix Polymers Limited and its subsidiary Matrix Polymers Polska S.p. Z.O.O for the year ended 31 December 2017.

Review and analysis of the business during the current year

The Group continued its principal activities throughout the year which was the processing and supply of polymer and related products to the rotomoulding industry. The Group is continuing its ambitious growth strategy with the principal objectives of increasing market share, focusing on selling added value and providing excellent levels of customer and technical service.

Principal risks and uncertainties

Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business annually.

The principal risks and uncertainties facing the Group are as follows:-

The directors have assessed the main risks facing the Group as the continuity of supply, pricing volatility affecting margins and the ongoing general uncertainty in the UK following the triggering of Article 50. To help mitigate these risks the directors have secured long-term supply agreements wherever possible, diversified the supplier base, focused the business on added-value products and concentrated its expansion on its competitively located Polish manufacturing operation.

Financial key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

Gross Profit Margin	11.8%	(2016: 14.9%)
Current Ratio	1:02	(2016: 1:03)
Debtor Days	62	(2016: 66)
Creditor Days	60	(2016: 78)
Inventory Days	40	(2016: 49)
Delivery performance	88.9%	(2016: 85.7%)

MATRIX POLYMERS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Development and financial performance during the year

As reported in the Consolidated Statement of Comprehensive Income, revenue has increased from £41.1m to £46.2m, reflecting growth of 9.7%.

Financial position at the reporting date

The consolidated net assets increased by 15.3% from £2.665m to £3.073m in the year with a closing cash position of £2.944m, which reflects an increase of £0.597m from 2016. Profit before tax for the year of £0.411m reflects a 0.9% return on sales and follows on from the profit before tax reported in 2016 of £0.509m.

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

M L Coles
Director



Date:

23/4/18

MATRIX POLYMERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Business review and future developments

2017 delivered continued sales growth with annual turnover increasing by 9.7% to £46.2m from £42.1m in 2016. This growth was driven by strong sales in Rest of Europe where sales increased by 30.4%, increasing from £22.7m in 2016 to £29.5m in 2017. This year's sales growth continues the upward trend achieved in consecutive years since 2013.

The Company's objective for this year was to increase market share and consequently, growth in gross profit did not follow the growth in sales turnover. Gross profit reduced from £6.3m in 2016 to £5.5m in 2017 (12.7%) however the company also streamlined administrative overheads in order to provide a planned offset against the reduction in gross profit.

Administrative expenses reduced from £5.5m in 2016 to £4.7m in 2017, this reflects a 14.6% reduction.

Reported operating profit for the year was £0.723m versus £0.769m in 2016, so despite the 12.7% reduction in gross profit, actual operating profit was only £0.046m below last year.

Profit for the year before taxation was marginally down at £0.411m versus £0.509m in the prior year.

In Q1 2018 the company has achieved a turnover of £12.2m (Q1 2017 £12.1m) with improved gross margins and profit before tax versus Q1 2017.

Results and dividends

The profit for the year, after taxation, amounted to £350,000 (2016 - £507,000).

Dividends in the year amounted to £100,000 (2016 - £250,000).

Directors

The directors who served during the year were:

M L Coles
J Hohenbuhel
S Wallington
A Quaratino
M Morgan
G Prestigiovanni (resigned 15 June 2017)

MATRIX POLYMERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report.

Disclosure of information to auditor

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

MATRIX POLYMERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**


Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



M L Coles
Director

Date: 23/4/18

MATRIX POLYMERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATRIX POLYMERS LIMITED

Opinion

We have audited the financial statements of Matrix Polymers Limited and its subsidiaries (the 'Group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group's and company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Use of the audit 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.

Conclusions relating to going concern

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

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

MATRIX POLYMERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATRIX POLYMERS LIMITED

Other information

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

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

We have nothing to report in this regard.

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 light of the knowledge and understanding of the Group and 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

MATRIX POLYMERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MATRIX POLYMERS LIMITED

Responsibilities of Directors

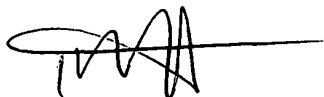
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Paul D Johnson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 27/4/18

MATRIX POLYMERS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover	3	46,181	42,084
Cost of sales		(40,715)	(35,798)
Gross profit		<u>5,466</u>	<u>6,286</u>
Administrative expenses		(4,743)	(5,517)
Operating profit	4	723	769
Interest receivable and similar income	8	5	-
Interest payable and expenses	9	(317)	(260)
Profit before taxation		<u>411</u>	<u>509</u>
Tax on profit	10	(61)	(2)
Profit for the financial year		<u><u>350</u></u>	<u><u>507</u></u>
Foreign exchange movements		177	198
Other comprehensive income for the year		<u>177</u>	<u>198</u>
Total comprehensive income for the year		<u><u>527</u></u>	<u><u>705</u></u>
Profit for the year attributable to:			
Owners of the parent Company		350	507
		<u>350</u>	<u>507</u>
Total comprehensive income for the year attributable to:			
Owners of the parent Company		527	705
		<u><u>527</u></u>	<u><u>705</u></u>

MATRIX POLYMERS LIMITED
REGISTERED NUMBER: 02626784

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	13	2,784	2,693
Current assets			
Stocks	15	4,992	4,624
Debtors: amounts falling due within one year	16	11,517	11,416
Cash at bank and in hand	17	2,944	2,347
		<u>19,453</u>	<u>18,387</u>
Creditors: amounts falling due within one year	18	(19,135)	(17,792)
Net current assets		<u>318</u>	<u>595</u>
Total assets less current liabilities		<u>3,102</u>	<u>3,288</u>
Creditors: amounts falling due after more than one year	19	-	(531)
Provisions for liabilities			
Deferred taxation	21	(29)	(92)
		<u>(29)</u>	<u>(92)</u>
Net assets		<u><u>3,073</u></u>	<u><u>2,665</u></u>
Capital and reserves			
Called up share capital	22	50	50
Foreign exchange reserve	23	332	155
Merger reserve	23	(1,590)	(1,571)
Profit and loss account	23	4,281	4,031
Equity attributable to owners of the parent Company		<u><u>3,073</u></u>	<u><u>2,665</u></u>

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


M L Coles
 Director

23/4/18

The notes on pages 15 to 35 form part of these financial statements.


MATRIX POLYMERS LIMITED
REGISTERED NUMBER: 02626784

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	13	865	987
Investments	14	1,599	1,580
		<u>2,464</u>	<u>2,567</u>
Current assets			
Stocks	15	4,991	4,622
Debtors: amounts falling due within one year	16	11,472	11,319
Cash at bank and in hand	17	2,929	2,307
		<u>19,392</u>	<u>18,248</u>
Creditors: amounts falling due within one year	18	(20,012)	(18,501)
Net current liabilities		<u>(620)</u>	<u>(253)</u>
Total assets less current liabilities		<u>1,844</u>	<u>2,314</u>
Creditors: amounts falling due after more than one year	19	-	(19)
Provisions for liabilities			
Deferred taxation	21	-	(29)
		<u>-</u>	<u>(29)</u>
Net assets		<u>1,844</u>	<u>2,266</u>
Capital and reserves			
Called up share capital	22	50	50
Profit and loss account	23	1,794	2,216
		<u>1,844</u>	<u>2,266</u>

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

M L Coles
Director

 23/4/18

The notes on pages 15 to 35 form part of these financial statements.

MATRIX POLYMERS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £000	Foreign exchange reserve £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017	50	155	(1,571)	4,031	2,665
Comprehensive income for the year					
Profit for the year	-	-	-	350	350
Arising on acquisition of subsidiary	-	-	(19)	-	(19)
Foreign exchange	-	177	-	-	177
Other comprehensive income for the year	-	177	(19)	-	158
Total comprehensive income for the year	-	177	(19)	350	508
Dividends: Equity capital	-	-	-	(100)	(100)
Total transactions with owners	-	-	-	(100)	(100)
At 31 December 2017	50	332	(1,590)	4,281	3,073

The notes on pages 14 to 36 form part of these financial statements.

MATRIX POLYMERS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £000	Foreign exchange reserve £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2016	50	(43)	253	(1,571)	3,774	2,463
Comprehensive income for the year						
Profit for the year	-	-	-	-	507	507
Foreign exchange	-	198	-	-	-	198
Other comprehensive income for the year						
	-	198	-	-	-	198
Total comprehensive income for the year						
	-	198	-	-	507	705
Dividends: Equity capital	-	-	-	-	(250)	(250)
Capital contribution	-	-	(253)	-	-	(253)
Total transactions with owners						
	-	-	(253)	-	(250)	(503)
At 31 December 2016	50	155	-	(1,571)	4,031	2,665

The notes on pages 15 to 35 form part of these financial statements.

MATRIX POLYMERS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	50	2,216	2,266
Comprehensive income for the year			
Loss for the year	-	(322)	(322)
Total comprehensive income for the year	-	(322)	(322)
Contributions by and distributions to owners			
Dividends: Equity capital	-	(100)	(100)
Total transactions with owners	-	(100)	(100)
At 31 December 2017	50	1,794	1,844

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	50	253	2,202	2,505
Comprehensive income for the year				
Profit for the year	-	-	264	264
Total comprehensive income for the year	-	-	264	264
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(250)	(250)
Capital contribution	-	(253)	-	(253)
Total transactions with owners	-	(253)	(250)	(503)
At 31 December 2016	50	-	2,216	2,266

The notes on pages 15 to 35 form part of these financial statements.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

1.1 Company information

Matrix Polymers Limited (the 'Company') is a private company limited by shares incorporated in England and Wales. The address of its registered office and principal place of business is The Priory, Orchard Hill, Little Billing, Northampton, NN3 9AG. Company number 02626784.

The principal activity of the Group is the processing and supply of polymer and related products to the rotomoulding industry.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Group operates.

The figures in these financial statements have been rounded to the nearest thousand.

1.2 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 Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Going concern

The directors have considered the budgets and cash flow forecasts for the Group and Company and believe they will be able to meet liabilities as they fall due and so the financial statements have been prepared on a going concern basis.

The following principal accounting policies have been applied:

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Accounting policies (continued)

1.3 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as though they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the merger method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their net book value in the current and prior year. The results of acquired operations are included in the Consolidated statement of comprehensive income for the current and prior year.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.4 FRS 102 reduced disclosure

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of the ultimate parent company, Revolve Group Limited as at 31 December 2017. These financial statements may be obtained from The Priory, Orchard Hill, Little Billing, Northampton, NN3 9AG.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 on the sale of goods:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 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.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

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 basis:

Freehold property	- 13 years
Leasehold Property Improvements	- Over the term of the lease
Plant & machinery	- 4 to 15 years
Fixtures & fittings	- 3 to 5 years

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 the Consolidated statement of comprehensive income.

1.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.9 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.11 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.14 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 the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 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.

1.17 Hire purchase and finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.18 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

1.19 Pensions

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.20 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.21 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change 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 and the Group operate and generate income.

Deferred 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

The preparation of financial statements in conformity with FRS 102 requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key 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 discussed below.

Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Valuation of inventory

The Company establishes a provision for inventory that is not deemed to be held at the lower of cost and net realisable value. When assessing this, the directors consider the recent movement of stock and the current prices of raw materials.

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Turnover

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	13,708	13,474
Rest of Europe	27,240	22,656
Rest of the world	5,233	5,954
	<u>46,181</u>	<u>42,084</u>

4. Operating profit

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

	2017 £000	2016 £000
Research & development charged as an expense	18	41
Loss on disposal of fixed assets	-	83
Depreciation of tangible fixed assets	363	416
Exchange differences	532	969
Operating lease rentals	337	331
	<u> </u>	<u> </u>

5. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Group's auditor for the audit of the Group's annual accounts	<u>39</u>	<u>40</u>
Fees payable to the Group's auditor for tax compliance services	5	5
Fees payable to the Group's auditor for advisory services	<u>11</u>	<u>11</u>

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Wages and salaries	2,461	2,500	1,772	2,079
Social security costs	310	296	185	62
Pension costs	9	11	9	11
	<u>2,780</u>	<u>2,807</u>	<u>1,966</u>	<u>2,152</u>

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

	2017 No.	2016 No.
Production	85	82
Administrative	26	29
Management	14	13
	<u>125</u>	<u>124</u>

7. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	494	547
Company contributions to defined contribution pension schemes	2	2
	<u>496</u>	<u>549</u>

During the year retirement benefits were accruing to 5 directors (2016 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £206,000 (2016 - £214,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2016 - £2,000).

Key management personnel comprise the executive directors as well as members of the senior management board. Their combined emoluments amounted to £494,000 (2016: £531,000), with contributions to defined contribution pension schemes of £2,000 (2016: £2,000).

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Interest receivable

	2017 £000	2016 £000
Other interest receivable	5	-
	<u>5</u>	<u>-</u>

9. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	262	216
Other loan interest payable	55	44
	<u>317</u>	<u>260</u>

10. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	141	107
Adjustments in respect of previous periods	(17)	(91)
	<u>124</u>	<u>16</u>
Double taxation relief	(141)	(90)
	<u>(17)</u>	<u>(74)</u>
Foreign tax		
Foreign tax on income for the year	141	90
	<u>141</u>	<u>90</u>
Deferred tax		
Origination and reversal of timing differences	(63)	(12)
Changes to tax rates	-	(2)
Total deferred tax	<u>(63)</u>	<u>(14)</u>
Taxation on profit on ordinary activities	<u>61</u>	<u>2</u>

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	<u>412</u>	<u>509</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	79	102
Effects of:		
Expenses not deductible for tax purposes	4	28
Adjustments to tax charge in respect of prior periods	(17)	(91)
Adjustments to deferred tax	(9)	5
Group relief	-	(42)
Losses carried forward	<u>4</u>	<u>-</u>
Total tax charge for the year	<u><u>61</u></u>	<u><u>2</u></u>

Factors that may affect future tax charges

In the Finance Act 2016, further changes to the future rates of Corporation tax were enacted on 15th September 2016. Under this legislation, the rate of corporation tax was reduced from 20% to 19% from April 2017 and further reduced to 17% from April 2020.

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Dividends

	2017 £000	2016 £000
Ordinary dividends of £2.00 per share (2016 - £5.00 per share)	100	250

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £322,000 (2016 - profit £264,000).

13. Tangible fixed assets

Group

	Land and Buildings £000	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost or valuation				
At 1 January 2017	1,317	3,076	667	5,060
Additions	203	67	9	279
Exchange adjustments	114	128	1	243
At 31 December 2017	1,634	3,271	677	5,582
Depreciation				
At 1 January 2017	233	1,527	607	2,367
Charge for the year on owned assets	57	272	34	363
Exchange adjustments	8	59	1	68
At 31 December 2017	298	1,858	642	2,798
Net book value				
At 31 December 2017	1,336	1,413	35	2,784
At 31 December 2016	1,084	1,549	60	2,693

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Tangible fixed assets (continued)

Company

	Leasehold Property Improvements £000	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost or valuation				
At 1 January 2017	369	1,654	656	2,679
Additions	-	33	9	42
At 31 December 2017	369	1,687	665	2,721
Depreciation				
At 1 January 2017	128	968	596	1,692
Charge for the year	25	105	34	164
At 31 December 2017	153	1,073	630	1,856
Net book value				
At 31 December 2017	216	614	35	865
At 31 December 2016	241	686	60	987

Finance leases

During 2016 freehold property in Poland held as land and buildings was sold under a sale and finance lease back agreement. This sale and finance lease back agreement was reversed immediately at the beginning of the financial year ended 31 December 2017. Within the Group net book value of £1,084,000 is £Nil (2016 - £653,000) relating to land and buildings assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounts to £Nil (2016 - £34,000).

Within the Group net book value of plant and machinery of £1,413,000 is £82,000 (2016 - £135,000) relating to plant and machinery assets held under hire purchase agreements. The depreciation charged to the financial statements of the Group in the year in respect of such assets amounts to £5,000 (2016 - £8,000).

Within the Company net book value of plant and machinery of £614,000 is £82,000 (2016 - £135,000) relating to plant and machinery assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounts to £5,000 (2016 - £8,000).

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Matrix Polymers Polska Sp Z.O.O.	Ordinary	100 %	Polymer processing

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit £000
Matrix Polymers Polska Sp Z.O.O.	2,827	671

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2017	1,580
Additions	19
At 31 December 2017	1,599
Net book value	
At 31 December 2017	1,599
At 31 December 2016	1,580

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Stocks

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Raw materials and consumables	2,046	1,552	2,045	1,550
Work in progress	96	92	96	92
Finished goods and goods for resale	2,850	2,980	2,850	2,980
	<u>4,992</u>	<u>4,624</u>	<u>4,991</u>	<u>4,622</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £39,026,250 (2016: £34,366,000).

No significant impairment losses have been recognised in relation to stock in either 2017 or 2016.

16. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade debtors	7,792	7,651	7,781	7,648
Amounts owed by group undertakings	3,347	3,031	3,347	3,031
Other debtors	97	310	42	233
Prepayments and accrued income	281	350	268	333
Tax recoverable	-	74	-	74
Deferred taxation	-	-	34	-
	<u>11,517</u>	<u>11,416</u>	<u>11,472</u>	<u>11,319</u>

17. Cash and cash equivalents

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Cash at bank and in hand	2,944	2,347	2,929	2,307
Less: bank overdrafts	(2,060)	(975)	(2,060)	(975)
	<u>884</u>	<u>1,372</u>	<u>869</u>	<u>1,332</u>

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. Creditors: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank overdrafts	2,060	975	2,060	975
Trade creditors	7,554	7,664	7,469	7,560
Amounts owed to group undertakings	1,267	1,174	2,326	2,235
Other taxation and social security	416	275	416	275
Obligations under finance lease and hire purchase contracts	19	222	19	44
Other creditors	6,883	6,952	6,851	6,929
Accruals and deferred income	936	530	871	483
	<u>19,135</u>	<u>17,792</u>	<u>20,012</u>	<u>18,501</u>

Other creditors includes £6,816,000 (2016: £6,822,000) which is secured by a charge over the book debts of the company.

The bank overdraft of £2,060,000 (2016: £975,000) is secured by a charge on all assets of the Company.

19. Creditors: Amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Net obligations under finance leases and hire purchase contracts	-	531	-	19
	<u>-</u>	<u>531</u>	<u>-</u>	<u>19</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Within one year	19	222	19	44
Between 1-5 years	-	531	-	19
	<u>19</u>	<u>753</u>	<u>19</u>	<u>63</u>

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Deferred taxation

Group

	2017 £000	2016 £000
At beginning of year	(92)	(106)
Charged to the profit or loss	63	14
At end of year	(29)	(92)

Company

	2017 £000	2016 £000
At beginning of year	(29)	(43)
Charged to the profit or loss	63	14
At end of year	34	(29)

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Accelerated capital allowances	(89)	(92)	(25)	(29)
Tax losses carried forward	59	-	59	-
	(30)	(92)	34	(29)

MATRIX POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

22. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50	50

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

23. Reserves

Foreign exchange reserve

The foreign exchange reserve relates to changes in value of Matrix Polymers Polska Sp Z.O.O due to exchange rate fluctuations.

Merger Reserve

The merger reserve relates to the acquisition of Matrix Polymers Polska Sp Z.O.O on 31 December 2015 by Matrix Polymers Limited.

Profit & loss account

The profit and loss account represents the aggregate results for the group, after the payment of dividends.

24. Capital commitments

At 31 December 2017 and 31 December 2016, the Group and Company had no capital commitments

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. There were no prepaid or outstanding contributions at the beginning or the end of the year.

MATRIX POLYMERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

26. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Not later than 1 year	306	318	306	318
Later than 1 year and not later than 5 years	800	865	800	865
Later than 5 years	850	1,020	850	1,020
	<u>1,956</u>	<u>2,203</u>	<u>1,956</u>	<u>2,203</u>

27. Related party transactions

Transactions between Group companies have not been disclosed as the Company has taken advantage of the exemption conferred by FRS102 section 33.1A, not to disclose transactions with entities wholly owned by the Group.

28. Controlling party and parent company

At 31 December 2017 the Company's ultimate parent company was Revolve Group Limited, registered address The Priory, Orchard Hill, Little Billing, Northampton, Northamptonshire, NN3 9AG. The Company's immediate parent company was Revolve Europe Limited. Copies of the financial statements of Revolve Group Limited and Revolve Europe Limited are available from the Registrar of Companies. The largest and smallest group in which these financial statements are consolidated is that headed by Revolve Group Limited. The directors do not consider there to be one controlling party.