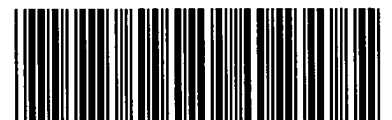


Registered number: 02626784

# **MATRIX POLYMERS LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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**MATRIX POLYMERS LIMITED**

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**COMPANY INFORMATION**

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|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | S J Wallington (resigned 22 December 2022)<br>M L Coles<br>A Quaratino<br>P Lohateerapap (appointed 15 August 2022)<br>I Sirichai<br>A Phitukpong (resigned 15 August 2022) |
| <b>Registered number</b>    | 02626784  |
| <b>Registered office</b>    | The Priory<br>Orchard Hill<br>Little Billing<br>Northampton<br>Northamptonshire<br>NN3 9AG  |
| <b>Independent auditors</b> | MHA<br>Peterbridge House<br>The Lakes<br>Northampton<br>NN4 7HB   |

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**MATRIX POLYMERS LIMITED**

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## MATRIX POLYMERS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 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 2022.

#### 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 by entry to new markets, increasing share of wallet with existing customer base and the development of new materials. The Group focuses on providing consistency of material quality, excellent levels of customer and technical service / development and ultimately developing the Matrix brand to be the 'go-to' brand for the supply of materials to the rotomoulding industry.

#### Development and financial performance during the year

As reported in the Consolidated Statement of Comprehensive Income, revenue has increased from £64.9m to £70.7m with gross profit remaining in line with the previous year at £6.5m. The £5.8m or 9% increase in sales revenue was largely driven by the much higher raw material pricing driven by the challenging market conditions with many key suppliers experiencing Force Majeure's which limited supplies and general allocations.

#### Financial position at the reporting date

As at 31 December 2022, the Consolidated Statement of Financial Position showed that net assets increased from £4.604m (restated) to £4.848m, an increase of £0.244m (5%). There was a slight negative movement in the closing Consolidated cash position of £0.1m against the closing position of £0.789m in 2021.

Profit before tax for the year of £0.238m reflects a significant decrease on 2021 (2021 - a restated profit of £2.043m), a decrease of £1.805m or 88%.

#### 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.

##### Financial key performance indicators

|                     |                     |
|---------------------|---------------------|
| Gross Profit Margin | 9.2% (FY21 - 10.2%) |
| Current Ratio       | 1.10 (FY21 - 1.08)  |
| Debtor days         | 65 (FY21 - 65)      |
| Creditor days       | 55 (FY21 - 61)      |
| Inventory days      | 40 (FY21 - 45)      |

##### Non-financial key performance indicators

|                       |                    |
|-----------------------|--------------------|
| Delivery performance* | 90% (FY21 - 97.3%) |
|-----------------------|--------------------|

\* based on 'promised' delivery date.

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**MATRIX POLYMERS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Principal risks and uncertainties facing the business**

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

The Directors have assessed the main risks facing the Group as the continuity of supply and wider supply chain challenges, pricing volatility affecting margins and movement on foreign exchange (FX). To help mitigate these risks the Directors have secured long-term supply agreements wherever possible, diversified the supplier base and focused on month-to-month pricing with customers.

**Coronavirus and the COVID-19 pandemic**

The Group continues to proactively monitor the ongoing situation in relation to COVID-19 and have a dedicated COVID-19 project team which meet monthly and keeps abreast of any local government updates, the team also communicates a COVID-19 update to all employees as and when necessary. Impact on actual business activity and financial results has been minimal with the biggest challenges focused around ensuring the Group maintain safe working environments for all employees and a sufficient supply of labour. The Director's principal objectives are to protect the health and safety of personnel in the performance of their duties, ensure the continuity of operations and to fully cooperate and comply with local government directives.

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## MATRIX POLYMERS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Section 172 (1) Statement - Duty to promote the success of the Group and Company

As required by Section 172(1) of the Companies Act 2006, the Directors of the Group must act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members, and in doing so have regard (among other matters) to:

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

The Directors believe the following issues are relevant in complying with section 172 (1) of the Companies Act 2006.

**a. the likely consequences of any decision in the long term;**

Our Board ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, our Board acknowledges that the business can only grow and prosper over the long-term if it understands and respects the views and needs of the Company's investors, customers, employees, suppliers and other stakeholders to whom we are accountable, as well as the environment we operate within.

**b. the interests of the Group's employees;**

in line with the Group commitments, protecting the health, safety and wellbeing of all our employees is our number one priority. In addition to this the Group is fully committed to a diverse and inclusive environment helping our employees gain skills that support their personal ambitions and drive the business forward. This is done through a structured approach to succession planning, development and training. The Group creates a learning organisation and a happy workplace to cultivate a proficient workforce with profound engagement and commitment to professional excellence. The Group recognises the need to ensure effective communication with employees and has developed various communication channels taking in to account factors such as location, language and job type.

**c. the need to foster the Group's business relationships with suppliers, customers and others;**

Building and creating strong long-term relationships with customers and suppliers has been key to the Group's success, and the Group recognises the need to continue to develop and maintain such relationships. Our Suppliers are critical to our operations and the Group takes a long-term collaborative approach to working with them, operating with supply agreements to ensure required volumes and grades. Additionally, the Group requires that its supply chain is aligned with the Group's code of business ethics and corporate responsibility policies, which covers areas such as employee welfare, quality, health & safety and the environment. The Group promotes superior solutions for products and materials to be the best choice for our business partners.

**d. the impact of the Group's operations on the community and the environment;**

The Group engages and integrates both social & environmental responsibilities in to its business operation and underlying business culture. The Group takes its responsibility very seriously and is an active member of 'Operation Cleansweep' an international initiative from the plastics industry to reduce plastic pellet loss to the environment, in the UK it is led by the British Plastics Federation (BPF). The Group is committed to reducing the environmental impact of its actions, prioritising the security of persons and contributing to a sustainable development of society.

**e. the desirability of the Group maintaining a reputation for high standard of business conduct;**

Governance, Risk & Compliance is at the forefront of the Group with a key focus on this at both Group and Subsidiary Board meetings. Key stakeholder value is driven and achieved by delivering the best business performance through trust worthiness to create fair and sustainable value. Core values are teamwork, honesty, trust and openness, these values are critical in ensuring the Group maintains the highest standards of business

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**MATRIX POLYMERS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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conduct in order to maintain and attract new business. In addition to this, without this commitment to the highest standards of conduct, it would not be possible to build long-term relationships / partnerships with our customers, suppliers and wider stakeholders.

**f. the need to act fairly as between members of the Group**

The Group has a clear separation between Shareholders and Directors with the operation of both Board meetings and Shareholders meetings taking place separately. The Board operates in line with clear guidelines, procedures and policies to ensure decisions are made fairly and transparently. The Board also seeks to behave in a responsible manner towards the shareholders and the Board communicates information relevant to its shareholders, such as its financial reporting.

**Research and development**

The Group continues to undertake research and development in the processing and supply of polymer and related products which it supplies to the rotomoulding industry. The Group's focus is on delivering its vision to be the global experts in rotomoulding materials through innovation and local partnership.

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

M L Coles  
Director



Date:

10<sup>th</sup> May 2023

I Sirichai  
Director



10<sup>th</sup> May 2023

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## MATRIX POLYMERS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### Directors' responsibilities statement

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

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

#### Business review and future developments

The consolidated net assets increased by £0.244m or 5% from £4.6m to £4.8m in the year, this is due to the reduction on current liabilities.

Reported profit for the year was £0.061m versus £1.621m in 2021, this £1.56m or 96.2% decrease being driven by lower margin, higher administration costs and an exceptional item.

The outlook for 2023 remains strong despite the ongoing challenging economic conditions with further growth targeted across all key markets, this is supported by improvements delivered through capital expenditure.

#### Results and dividends

The profit for the year, after taxation, amounted to £61k (2021 - £1,621k).

No dividends were paid in the current or prior year. The Directors do not propose the payment of a dividend as at the year end.

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## **MATRIX POLYMERS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Directors**

The Directors who served during the year were:

S J Wallington (resigned 22 December 2022)  
M L Coles  
A Quaratino  
P Lohateerapap (appointed 15 August 2022)  
I Sirichai  
A Phitukpong (resigned 15 August 2022)

#### **Going concern**

The Directors consider the Group has adequate resources to continue in operational existence for the foreseeable future. See note 3.2 for further information.

#### **Greenhouse gas emissions**

The Group takes its environmental responsibilities seriously and is a member of Operation Clean Sweep, this is an international initiative from the plastics industry to reduce plastic pellet loss to the environment, in the UK it is led by the British Plastics Federation.

In addition, the Group measures wastage/losses and kilo watt hours (kWh) usage during its manufacturing processes on a monthly basis with an objective to maximise efficiency and minimise wastage.

Recycled packaging and labels are used and the Group has also launched new products focused on recycled materials and sustainable/renewable feedstock.

Information in respect of the Group's energy usage as required by the companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 is set out the financial statements of the Parent Company, Revolve Group Limited.

#### **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.

These sections include:

- Research and development.

#### **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 and the Group'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 and the Group's auditors are aware of that information.

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MATRIX POLYMERS LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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Post year end events

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

Auditors

The auditors, MHA MacIntyre Hudson, 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: 10<sup>th</sup> May 2023

I Sirichai  
Director



Date: 10<sup>th</sup> May 2023

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**MATRIX POLYMERS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX POLYMERS LIMITED**

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**Opinion**

We have audited the financial statements of Matrix Polymers Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 33 - 42. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- the financial statements 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 Group and the parent 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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material

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**MATRIX POLYMERS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX POLYMERS LIMITED  
(CONTINUED)**

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misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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**MATRIX POLYMERS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATRIX POLYMERS LIMITED  
(CONTINUED)**

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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:

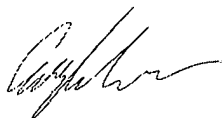
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

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](http://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.



Guy Hodgkinson BA ACA (Senior Statutory Auditor)

for and on behalf of  
**MHA**

Statutory Auditor

Northampton, United Kingdom

Date: 19 May 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

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**MATRIX POLYMERS LIMITED**

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  | <b>Note</b> | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|-------------|----------------------|----------------------|
| <b>Revenue</b>   | <b>6</b>    | <b>70,732</b>        | 64,870               |
| Cost of sales  |             | (64,213)             | (58,225)             |
| <b>Gross profit</b>  |             | <b>6,519</b>         | 6,645                |
| Other income   | 7           | -                    | 61                   |
| Administrative expenses  |             | (5,954)              | (4,447)              |
| <b>Profit from operations</b>  | <b>8</b>    | <b>565</b>           | 2,259                |
| Finance income   | 12          | 5                    | -                    |
| Finance expense  | 12          | (332)                | (216)                |
| <b>Profit before tax</b>   |             | <b>238</b>           | 2,043                |
| Tax expense  | 13          | (177)                | (422)                |
| <b>Profit for the year</b>   |             | <b>61</b>            | 1,621                |
| <b>Other comprehensive income:</b>                                   |             |                      |                      |
| <b>Items that will or may be reclassified to profit or loss:</b>     |             |                      |                      |
| Exchange gains/(losses) arising on translation on foreign operations |             | 183                  | (217)                |
| <b>Other comprehensive income for the year, net of tax</b>           |             | <b>183</b>           | (217)                |
| <b>Total comprehensive income</b>                                    |             | <b>244</b>           | 1,404                |

The profit and total comprehensive income for the year are wholly attributable to the shareholders of the Parent Company.

The notes on pages 33 to 72 form part of these financial statements.

**MATRIX POLYMERS LIMITED**  
**REGISTERED NUMBER: 02626784**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

|                                | Note | 2022<br>£000  | 2021<br>£000  |
|--------------------------------|------|---------------|---------------|
| <b>Assets</b>                  |      |               |               |
| <b>Non-current assets</b>      |      |               |               |
| Property, plant and equipment  | 14   | 4,337         | 4,014         |
| Deferred tax assets            | 13   | 34            | 34            |
|                                |      | <u>4,371</u>  | <u>4,048</u>  |
| <b>Current assets</b>          |      |               |               |
| Inventories                    | 17   | 5,407         | 8,513         |
| Trade and other receivables    | 18   | 13,081        | 14,905        |
| Cash and cash equivalents      | 26   | 100           | 789           |
|                                |      | <u>18,588</u> | <u>24,207</u> |
| <b>Total assets</b>            |      | <u>22,959</u> | <u>28,255</u> |
| <b>Liabilities</b>             |      |               |               |
| <b>Non-current liabilities</b> |      |               |               |
| Loans and borrowings           | 20   | 1,054         | 1,147         |
| Deferred tax liability         | 13   | 117           | 116           |
|                                |      | <u>1,171</u>  | <u>1,263</u>  |
| <b>Current liabilities</b>     |      |               |               |
| Bank overdraft                 | 26   | 70            | 195           |
| Trade and other liabilities    | 19   | 7,824         | 12,895        |
| Loans and borrowings           | 20   | 9,046         | 9,298         |
|                                |      | <u>16,940</u> | <u>22,388</u> |
| <b>Total liabilities</b>       |      | <u>18,111</u> | <u>23,651</u> |
| <b>Net assets</b>              |      | <u>4,848</u>  | <u>4,604</u>  |

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MATRIX POLYMERS LIMITED  
REGISTERED NUMBER: 02626784


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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2022

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|  | Note | 2022<br>£000        | 2021<br>£000        |
|--|------|---------------------|---------------------|
| Issued capital and reserves attributable to owners of the parent |      |                     |                     |
| Share capital  | 21   | 50                  | 50                  |
| Merger reserve   | 22   | (1,590)             | (1,590)             |
| Foreign currency translation reserve                             | 22   | (17)                | (200)               |
| Retained earnings  | 22   | 6,405               | 6,344               |
|  |      | <u>4,848</u>        | <u>4,604</u>        |
| <b>TOTAL EQUITY</b>  |      | <u><u>4,848</u></u> | <u><u>4,604</u></u> |

The financial statements on pages 13 to 72 were approved and authorised for issue by the board of Directors and were signed on its behalf by:

  
M L Coles  
Director

Date: 10<sup>th</sup> May 2023

  
I Sirichai  
Director

10<sup>th</sup> May 2023

The notes on pages 33 to 72 form part of these financial statements.

**MATRIX POLYMERS LIMITED**  
**REGISTERED NUMBER: 02626784**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

|                                | <b>Note</b> | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--------------------------------|-------------|----------------------|----------------------|
| <b>Assets</b>                  |             |                      |                      |
| <b>Non-current assets</b>      |             |                      |                      |
| Property, plant and equipment  | 14          | 2,084                | 2,127                |
| Investments in subsidiaries    | 16          | 1,601                | 1,599                |
|                                |             | <u>3,685</u>         | <u>3,726</u>         |
| <b>Current assets</b>          |             |                      |                      |
| Inventories                    | 17          | 5,407                | 8,513                |
| Trade and other receivables    | 18          | 12,974               | 14,746               |
| Cash and cash equivalents      | 26          | 97                   | 780                  |
|                                |             | <u>18,478</u>        | <u>24,039</u>        |
| <b>Total assets</b>            |             | <u>22,163</u>        | <u>27,765</u>        |
| <b>Liabilities</b>             |             |                      |                      |
| <b>Non-current liabilities</b> |             |                      |                      |
| Loans and borrowings           | 20          | 930                  | 1,147                |
| Deferred tax liability         | 13          | 116                  | 116                  |
|                                |             | <u>1,046</u>         | <u>1,263</u>         |
| <b>Current liabilities</b>     |             |                      |                      |
| Bank overdraft                 | 26          | 70                   | 195                  |
| Trade and other liabilities    | 19          | 10,728               | 15,191               |
| Loans and borrowings           | 20          | 9,037                | 9,156                |
|                                |             | <u>19,835</u>        | <u>24,542</u>        |
| <b>Total liabilities</b>       |             | <u>20,881</u>        | <u>25,805</u>        |
| <b>Net assets</b>              |             | <u>1,282</u>         | <u>1,960</u>         |

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MATRIX POLYMERS LIMITED  
REGISTERED NUMBER: 02626784

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COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2022

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|  | Note | 2022<br>£000 | 2021<br>£000 |
|--|------|--------------|--------------|
| Issued capital and reserves attributable to owners of the parent |      |              |              |
| Share capital  | 21   | 50           | 50           |
| Retained earnings  | 22   | 1,232        | 1,910        |
| <b>TOTAL EQUITY</b>  |      | <b>1,282</b> | <b>1,960</b> |

The Company's loss for the year was £678k (2021 - profit £962k).

The financial statements on pages 13 to 72 were approved and authorised for issue by the board of Directors and were signed on its behalf by:

M L Coles  
Director



I Sirichai  
Director



Date: 10<sup>th</sup> May 2023

10<sup>th</sup> May 2023

The notes on pages 33 to 72 form part of these financial statements.

**MATRIX POLYMERS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | Share<br>capital<br>£000 | Merger<br>reserve<br>£000 | Foreign<br>currency<br>translation<br>reserve<br>£000 | Retained<br>earnings<br>£000 | Total<br>attributable<br>to equity<br>holders of<br>parent<br>£000 | Total equity<br>£000 |
|--|--------------------------|---------------------------|---|------------------------------|--|----------------------|
| <b>At 1 January 2021</b>                           | 50                       | (1,590)                   | 17  | 4,723                        | 3,200  | 3,200                |
| <b>Comprehensive<br/>income for the year</b>       |                          |                           |   |                              |  |                      |
| Profit for the year                                | -                        | -                         | -   | 1,621                        | 1,621  | 1,621                |
| Foreign exchange                                   | -                        | -                         | (217)   | -                            | (217)  | (217)                |
| <b>Total comprehensive<br/>income for the year</b> | -                        | -                         | (217)   | 1,621                        | 1,404  | 1,404                |
| <b>At 31 December 2021</b>                         | 50                       | (1,590)                   | (200)   | 6,344                        | 4,604  | 4,604                |
| <b>At 1 January 2022</b>                           | 50                       | (1,590)                   | (200)   | 6,344                        | 4,604  | 4,604                |
| <b>Comprehensive<br/>income for the year</b>       |                          |                           |   |                              |  |                      |
| Profit for the year                                | -                        | -                         | -   | 61                           | 61   | 61                   |
| Foreign exchange                                   | -                        | -                         | 183   | -                            | 183  | 183                  |
| <b>Total comprehensive<br/>income for the year</b> | -                        | -                         | 183   | 61                           | 244  | 244                  |
| <b>At 31 December 2022</b>                         | 50                       | (1,590)                   | (17)  | 6,405                        | 4,848  | 4,848                |

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**MATRIX POLYMERS LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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|   | Share<br>capital<br>£000 | Retained<br>earnings<br>£000 | Total equity<br>£000 |
|---|--------------------------|------------------------------|----------------------|
| At 1 January 2021                       | 50                       | 948                          | 998                  |
| Comprehensive income for the year       |                          |                              |                      |
| Profit for the year                     | -                        | 962                          | 962                  |
|   | <u>-</u>                 | <u>962</u>                   | <u>962</u>           |
| Total comprehensive income for the year |                          |                              |                      |
|   | <u>-</u>                 | <u>962</u>                   | <u>962</u>           |
| At 31 December 2021                     | 50                       | 1,910                        | 1,960                |
|   | <u>50</u>                | <u>1,910</u>                 | <u>1,960</u>         |
| At 1 January 2022                       | 50                       | 1,910                        | 1,960                |
| Comprehensive income for the year       |                          |                              |                      |
| Profit for the year                     | -                        | (678)                        | (678)                |
|   | <u>-</u>                 | <u>(678)</u>                 | <u>(678)</u>         |
| Total comprehensive income for the year |                          |                              |                      |
|   | <u>-</u>                 | <u>(678)</u>                 | <u>(678)</u>         |
| At 31 December 2022                     | 50                       | 1,232                        | 1,282                |
|   | <u>50</u>                | <u>1,232</u>                 | <u>1,282</u>         |

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**MATRIX POLYMERS LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  | Note | 2022<br>£000 | 2021<br>£000 |
|--|------|--------------|--------------|
| <b>Cash flows from operating activities</b>        |      |              |              |
| Profit for the year                                |      | 61           | 1,621        |
| <b>Adjustments for</b>                             |      |              |              |
| Depreciation of property, plant and equipment      | 14   | 698          | 723          |
| Finance income                                     | 12   | (5)          | -            |
| Finance expense                                    | 12   | 332          | 216          |
| Gain on sale of property, plant and equipment      |      | (1)          | -            |
| Net foreign exchange gain                          |      | (125)        | (536)        |
| Income tax expense                                 | 13   | 177          | 422          |
|  |      | <u>1,137</u> | <u>2,446</u> |
| <b>Movements in working capital:</b>               |      |              |              |
| Decrease/(increase) in trade and other receivables |      | 1,824        | (2,621)      |
| Decrease/(increase) in inventories                 |      | 3,106        | (4,043)      |
| (Decrease)/increase in trade and other payables    |      | (5,200)      | 5,028        |
|  |      | <u>867</u>   | <u>810</u>   |
| <b>Cash generated from operations</b>              |      |              |              |
| Income taxes received                              |      | -            | 44           |
|  |      | <u>867</u>   | <u>854</u>   |
| <b>Net cash from operating activities</b>          |      |              |              |
| <b>Cash flows from investing activities</b>        |      |              |              |
| Purchases of property, plant and equipment         |      | (891)        | (582)        |
| Sale of property, plant and equipment              |      | 1            | -            |
| Interest received                                  |      | 5            | -            |
|  |      | <u>(885)</u> | <u>(582)</u> |
| <b>Net cash used in investing activities</b>       |      |              |              |

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**MATRIX POLYMERS LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|--|----------------------------|----------------------------|
| <b>Cash flows from financing activities</b>                      |                            |                            |
| Interest paid  | <b>(332)</b>               | <b>(216)</b>               |
| Payment of lease liabilities                                     | <b>(214)</b>               | <b>73</b>                  |
| <b>Net cash used in financing activities</b>                     | <b>(546)</b>               | <b>(143)</b>               |
| <b>Net cash (decrease)/increase in cash and cash equivalents</b> | <b>(564)</b>               | <b>129</b>                 |
| Cash and cash equivalents at the beginning of year               | <b>594</b>                 | <b>465</b>                 |
| <b>Cash and cash equivalents at the end of the year</b>          | <b>30</b>                  | <b>594</b>                 |

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**MATRIX POLYMERS LIMITED**

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**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  | Note | 2022<br>£000 | 2021<br>£000 |
|--|------|--------------|--------------|
| <b>Cash flows from operating activities</b>        |      |              |              |
| (Loss)/profit for the year                         |      | (678)        | 962          |
| <b>Adjustments for</b>                             |      |              |              |
| Depreciation of property, plant and equipment      | 14   | 419          | 444          |
| Finance income                                     | 12   | (5)          | -            |
| Finance expense                                    | 12   | 316          | 199          |
| Gain on sale of property, plant and equipment      |      | (1)          | -            |
| Income tax expense                                 | 13   | -            | 147          |
|  |      | <u>51</u>    | <u>1,752</u> |
| <b>Movements in working capital:</b>               |      |              |              |
| Decrease/(increase) in trade and other receivables |      | 1,772        | (2,575)      |
| Decrease/(increase) in inventories                 |      | 3,106        | (4,043)      |
| (Decrease)/increase in trade and other payables    |      | (4,596)      | 5,627        |
|  |      | <u>333</u>   | <u>761</u>   |
| <b>Cash generated from operations</b>              |      |              |              |
|  |      |              |              |
| Income taxes received                              |      | -            | 36           |
|  |      | <u>333</u>   | <u>797</u>   |
| <b>Net cash from operating activities</b>          |      |              |              |
|  |      |              |              |
| <b>Cash flows from investing activities</b>        |      |              |              |
| Purchases of property, plant and equipment         |      | (376)        | (468)        |
| Sale of property, plant and equipment              |      | 1            | -            |
| Lease interest payments from finance leases        |      | (43)         | (43)         |
| Interest received                                  |      | 5            | -            |
|  |      | <u>(413)</u> | <u>(511)</u> |
| <b>Net cash used in investing activities</b>       |      |              |              |

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**MATRIX POLYMERS LIMITED**

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**COMPANY STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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|  | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|--|----------------------------|----------------------------|
| <b>Cash flows from financing activities</b>                      |                            |                            |
| Bank interest paid   | (273)                      | (156)                      |
| Payment of lease liabilities                                     | (205)                      | 82                         |
| <b>Net cash used in financing activities</b>                     | <b>(478)</b>               | <b>(74)</b>                |
| <b>Net cash (decrease)/increase in cash and cash equivalents</b> | <b>(558)</b>               | <b>212</b>                 |
| Cash and cash equivalents at the beginning of year               | 585                        | 373                        |
| <b>Cash and cash equivalents at the end of the year</b>          | <b>27</b>                  | <b>585</b>                 |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Reporting entity**

Matrix Polymers Limited (the 'Company') is a limited company incorporated in England and Wales. The Company's registered office is at The Priory, Orchard Hill, Little Billing, Northampton, NN3 9AG. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in the processing and supply of polymer and related products to the rotomoulding industry.

**2. Basis of preparation**

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively UK adopted IFRSs).

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These are the first financial statements of the Group and Company prepared in accordance with UK adopted IFRS and the effect of changes to UK adopted IFRS for the first time are disclosed in note 2.2.

Details of the Group's accounting policies, including changes during the year, are included in note 3.

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

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 4.

**2.1 Basis of measurement**

The financial statements have been prepared on the historical cost basis unless otherwise specified within these accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Basis of preparation (continued)

2.2 First time adoption of IFRS

i) First time adoption of IFRS

These financial statements, for the year ended 31 December 2022, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2021, the Group prepared its financial statements in accordance with FRS 102 (Local GAAP).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2022, together with the comparative period data for the year ended 31 December 2021, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2021, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its Local GAAP financial statements, including the consolidated statement of financial position as at 1 January 2021 and the financial statements as of, and for, the year ended 31 December 2021.

The Group assessed all contracts existing at 1 January 2021 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2021. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2021. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2021. The lease payments associated with leases for which the underlying asset is of low value have been recognised as an expense on a straight-line basis over the lease term.

IFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries that are considered businesses under IFRS that occurred before 1 January 2021. Use of this exemption means that the FRS 102 carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise any assets or liabilities that were not recognised under the FRS 102 or exclude any previously recognised amounts as a result of IFRS recognition requirements.

Consolidated Statement of Financial Position as at 31 December 2021

|                               | 31<br>December<br>2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 31<br>December<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|-------------------------------|--|-----------------|---|
| <b>Assets</b>                 |  |                 |   |
| <b>Non-current assets</b>     |  |                 |   |
| Property, plant and equipment | 2,553  | 1,461           | 4,014   |
| Deferred tax assets           | 34   | -               | 34  |
|                               | <u>2,587</u>                                       | <u>1,461</u>    | <u>4,048</u>  |
| <b>Current assets</b>         |  |                 |   |

**MATRIX POLYMERS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Basis of preparation (continued)**

**2.2 First time adoption of IFRS (continued)**

**i) First time adoption of IFRS (continued)**

**Consolidated Statement of Financial Position (extract) (continued)**

|                                | 31<br>December<br>2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 31<br>December<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|--------------------------------|--|-----------------|---|
| Inventories                    | 8,513  | -               | 8,513   |
| Trade and other receivables    | 14,905   | -               | 14,905  |
| Cash and cash equivalents      | 789  | -               | 789   |
|                                | <b>24,207</b>                                      | <b>-</b>        | <b>24,207</b>   |
| <b>Total assets</b>            | <b>26,794</b>                                      | <b>1,461</b>    | <b>28,255</b>   |
| <b>Liabilities</b>             |  |                 |   |
| <b>Non-current liabilities</b> |  |                 |   |
| Lease liabilities              | -  | (1,147)         | (1,147)   |
| Deferred tax liability         | (116)  | -               | (116)   |
|                                | <b>(116)</b>                                       | <b>(1,147)</b>  | <b>(1,263)</b>  |
| <b>Current liabilities</b>     |  |                 |   |
| Bank overdraft                 | (195)  | -               | (195)   |
| Trade and other liabilities    | (12,894)   | -               | (12,894)  |
| Loans and borrowings           | (8,952)  | -               | (8,952)   |
| Lease liabilities              | -  | (347)           | (347)   |
|                                | <b>(22,041)</b>                                    | <b>(347)</b>    | <b>(22,388)</b>   |
| <b>Total liabilities</b>       | <b>(22,157)</b>                                    | <b>(1,494)</b>  | <b>(23,651)</b>   |
| <b>NET ASSETS</b>              | <b>4,637</b>                                       | <b>(33)</b>     | <b>4,604</b>  |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Basis of preparation (continued)**

**2.2 First time adoption of IFRS (continued)**

**i) First time adoption of IFRS (continued)**

**Consolidated Statement of Financial Position (extract) (continued)**

|   | 31<br>December<br>2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 31<br>December<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|---|--|-----------------|---|
| <b>Issued capital and reserves attributable to owners of the parent</b> |  |                 |   |
| Share capital   | 50   | -               | 50  |
| Merger reserve  | (1,590)  | -               | (1,590)   |
| Foreign exchange reserve  | (200)  | -               | (200)   |
| Retained earnings   | 6,377  | (33)            | 6,344   |
|   | <u>4,637</u>                                       | <u>(33)</u>     | <u>4,604</u>  |
|   | <u>4,637</u>                                       | <u>(33)</u>     | <u>4,604</u>  |
| <b>TOTAL EQUITY</b>   | <u>4,637</u>                                       | <u>(33)</u>     | <u>4,604</u>  |

**Consolidated Statement of Comprehensive Income (extract)**

|                               | 2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|-------------------------------|----------------------------------|-----------------|---|
| <b>Revenue</b>                | 64,870                           | -               | 64,870                                      |
| <b>Cost of sales</b>          | (58,225)                         | -               | (58,225)                                    |
|                               | <u>6,645</u>                     | <u>-</u>        | <u>6,645</u>                                |
| <b>Gross profit</b>           |                                  |                 |   |
| Other operating income        | 61                               | -               | 61  |
| Administrative expenses       | (4,495)                          | 48              | (4,447)                                     |
|                               | <u>2,211</u>                     | <u>48</u>       | <u>2,259</u>                                |
| <b>Profit from operations</b> |                                  |                 |   |
| Finance expense               | (156)                            | (60)            | (216)                                       |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Basis of preparation (continued)****2.2 First time adoption of IFRS (continued)****i) First time adoption of IFRS (continued)****Consolidated Statement of Comprehensive Income (extract) (continued)**

|  | <b>2021<br/>Under FRS<br/>102<br/>£000</b> | <b>IFRS 16<br/>£000</b> | <b>2021<br/>Under UK<br/>adopted<br/>IFRS<br/>£000</b> |
|--|--|-------------------------|--|
| <b>Profit before tax</b>   | <b>2,055</b>                               | <b>(12)</b>             | <b>2,043</b>   |
| <b>Tax expense</b>   | <b>(422)</b>                               | <b>-</b>                | <b>(422)</b>   |
| <b>Profit from continuing operations</b>                         | <b>1,633</b>                               | <b>(12)</b>             | <b>1,621</b>   |
| <b>Other comprehensive income</b>                                |  |                         |  |
| <b>Items that will or may be reclassified to profit or loss:</b> |  |                         |  |
| Exchange gains arising on translation of foreign operations      | (217)                                      | -                       | (217)  |
| <b>Total comprehensive income</b>                                | <b>1,416</b>                               | <b>(12)</b>             | <b>1,404</b>   |
| <b>Profit for the year attributable to:</b>                      |  |                         |  |
| Owners of the parent   | 1,633                                      | (12)                    | 1,621  |
| <b>Total comprehensive income attributable to:</b>               |  |                         |  |
| Owners of the parent   | 1,416                                      | (12)                    | 1,404  |

The following tables summarise the impacts of adopting new accounting standards on the Company's financial statements.

**MATRIX POLYMERS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Basis of preparation (continued)**

**Company Statement of Financial Position as at 31 December 2021**

|                                | 31<br>December<br>2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 31<br>December<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|--------------------------------|--|-----------------|---|
| <b>Assets</b>                  |  |                 |   |
| <b>Non-current assets</b>      |  |                 |   |
| Property, plant and equipment  | 812  | 1,315           | 2,127   |
| Investments                    | 1,599  | -               | 1,599   |
|                                | <u>2,411</u>                                       | <u>1,315</u>    | <u>3,726</u>  |
| <b>Current assets</b>          |  |                 |   |
| Inventories                    | 8,513  | -               | 8,513   |
| Trade and other receivables    | 14,746   | -               | 14,746  |
| Cash and cash equivalents      | 780  | -               | 780   |
|                                | <u>24,039</u>                                      | <u>-</u>        | <u>24,039</u>   |
| <b>Total assets</b>            | <u>26,450</u>                                      | <u>1,315</u>    | <u>27,765</u>   |
| <b>Liabilities</b>             |  |                 |   |
| <b>Non-current liabilities</b> |  |                 |   |
| Lease liabilities              | -  | (1,147)         | (1,147)   |
| Deferred tax liability         | (116)  | -               | (116)   |
|                                | <u>(116)</u>                                       | <u>(1,147)</u>  | <u>(1,263)</u>  |
| <b>Current liabilities</b>     |  |                 |   |
| Bank overdraft                 | (195)  | -               | (195)   |
| Trade and other liabilities    | (15,191)   | -               | (15,191)  |
| Loans and borrowings           | (8,952)  | -               | (8,952)   |
| Lease liabilities              | -  | (204)           | (204)   |
|                                | <u>(24,338)</u>                                    | <u>(204)</u>    | <u>(24,542)</u>   |

**MATRIX POLYMERS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Basis of preparation (continued)**

**Company Statement of Financial Position (extract)**

|   | 31<br>December<br>2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 31<br>December<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|---|--|-----------------|---|
| <b>Total liabilities</b>  | (24,454)   | (1,351)         | (25,805)  |
| <b>NET ASSETS</b>   | <u>1,996</u>                                       | <u>(36)</u>     | <u>1,960</u>  |
| <b>Issued capital and reserves attributable to owners of the parent</b> |  |                 |   |
| Share capital   | 50   | -               | 50  |
| Retained earnings   | 1,946  | (36)            | 1,910   |
|   | <u>1,996</u>                                       | <u>(36)</u>     | <u>1,960</u>  |
| <b>TOTAL EQUITY</b>   | <u>1,996</u>                                       | <u>(36)</u>     | <u>1,960</u>  |
|   | 1 January<br>2021<br>Under FRS<br>102<br>£000      | IFRS 16<br>£000 | 1 January<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000      |
| <b>Assets</b>   |  |                 |   |
| <b>Non-current assets</b>   |  |                 |   |
| Property, plant and equipment   | 861  | 1,243           | 2,104   |
| Investments   | 1,599  | -               | 1,599   |
|   | <u>2,460</u>                                       | <u>1,243</u>    | <u>3,703</u>  |
| <b>Current assets</b>   |  |                 |   |
| Inventories   | 4,470  | -               | 4,470   |
| Trade and other receivables   | 12,207   | -               | 12,207  |
| Cash and cash equivalents   | 783  | -               | 783   |
|   | <u>17,460</u>                                      | <u>-</u>        | <u>17,460</u>   |

MATRIX POLYMERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Basis of preparation (continued)

|   | 1 January<br>2021<br>Under FRS<br>102<br>£000 | IFRS 16<br>£000 | 1 January<br>2021<br>Under UK<br>adopted<br>IFRS<br>£000 |
|---|---|-----------------|--|
| <b>Total assets</b>   | <b>19,920</b>                                 | <b>1,243</b>    | <b>21,163</b>  |
| <b>Liabilities</b>  |   |                 |  |
| <b>Non-current liabilities</b>  |   |                 |  |
| Lease liabilities   | -   | (1,176)         | (1,176)  |
| Deferred tax liability  | (21)  | -               | (21)   |
|   | <b>(21)</b>                                   | <b>(1,176)</b>  | <b>(1,197)</b>   |
| <b>Current liabilities</b>  |   |                 |  |
| Bank overdraft  | (410)   | -               | (410)  |
| Trade and other liabilities   | (12,513)                                      | -               | (12,513)   |
| Loans and borrowings  | (5,957)                                       | -               | (5,957)  |
| Lease liabilities   | -   | (88)            | (88)   |
|   | <b>(18,880)</b>                               | <b>(88)</b>     | <b>(18,968)</b>  |
| <b>Total liabilities</b>  | <b>(18,901)</b>                               | <b>(1,264)</b>  | <b>(20,165)</b>  |
| <b>NET ASSETS</b>   | <b>1,019</b>                                  | <b>(21)</b>     | <b>998</b>   |
| <b>Issued capital and reserves attributable to owners of the parent</b> |   |                 |  |
| Share capital   | 50  | -               | 50   |
| Retained earnings   | 969   | (21)            | 948  |
|   | <b>1,019</b>                                  | <b>(21)</b>     | <b>998</b>   |
| <b>TOTAL EQUITY</b>   | <b>1,019</b>                                  | <b>(21)</b>     | <b>998</b>   |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Consolidated Statement of Financial Position as at 1 January 2021 (date of transition to IFRS)**

|   | <b>1 January<br/>2021<br/>Under FRS<br/>102<br/>£000</b> | <b>IFRS 16<br/>£000</b> | <b>1 January<br/>2021<br/>Under UK<br/>adopted<br/>IFRS<br/>£000</b> |
|---|--|-------------------------|--|
| <b>Assets</b>   |  |                         |  |
| <b>Non-current assets</b>   |  |                         |  |
| Property, plant and equipment   | 2,833  | 1,449                   | 4,282  |
| Deferred tax assets   | 73   | -                       | 73   |
|   | <b>2,906</b>   | <b>1,449</b>            | <b>4,355</b>   |
| <b>Current assets</b>   |  |                         |  |
| Inventories   | 4,470  | -                       | 4,470  |
| Trade and other receivables   | 12,328   | -                       | 12,328   |
| Cash and cash equivalents   | 875  | -                       | 875  |
|   | <b>17,673</b>  | <b>-</b>                | <b>17,673</b>  |
| <b>Total assets</b>   | <b>20,579</b>  | <b>1,449</b>            | <b>22,028</b>  |
| <b>Liabilities</b>  |  |                         |  |
| <b>Non-current liabilities</b>  |  |                         |  |
| Loans and borrowings  | -  | (1,219)                 | (1,219)  |
| Deferred tax liability  | (130)  | -                       | (130)  |
|   | <b>(130)</b>   | <b>(1,219)</b>          | <b>(1,349)</b>   |
| <b>Current liabilities</b>  |  |                         |  |
| Bank overdraft  | (410)  | -                       | (410)  |
| Trade and other liabilities   | (10,861)   | -                       | (10,861)   |
| Loans and borrowings  | (5,957)  | (251)                   | (6,208)  |
|   | <b>(17,228)</b>  | <b>(251)</b>            | <b>(17,479)</b>  |
| <b>Total liabilities</b>  | <b>(17,358)</b>  | <b>(1,470)</b>          | <b>(18,828)</b>  |
| <b>NET ASSETS</b>   | <b>3,221</b>   | <b>(21)</b>             | <b>3,200</b>   |
| <b>Issued capital and reserves attributable to owners of the parent</b> |  |                         |  |
| Share capital   | 50   | -                       | 50   |
| Foreign exchange reserve  | 17   | -                       | 17   |
| Merger reserve  | (1,590)  | -                       | (1,590)  |
| Retained earnings   | 4,744  | (21)                    | 4,723  |
|   | <b>3,221</b>   | <b>(21)</b>             | <b>3,200</b>   |
| <b>TOTAL EQUITY</b>   | <b>3,221</b>   | <b>(21)</b>             | <b>3,200</b>   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies**

**3.1 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**3.2 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. Group management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)**

**3.3 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, including value added taxes. The Group recognises revenue when it transfers control over a product or service to a customer.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Group and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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3. Accounting policies (continued)

3.4 Leasing

**The Group as a lessee**

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in the 'Loans and borrowings' line in the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' line in the Consolidated Statement of Financial Position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.11.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)**

**3.5 Foreign currency**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)**

**3.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

**3.7 Finance income**

Finance income is recognised in the Consolidated Statement of Profit or Loss using the effective interest method.

**3.8 Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)**

**3.9 Employee benefits**

**(i) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**(ii) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

**3.10 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)**

**3.10 Taxation (continued)**

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)****3.11 Property, plant and equipment**

Items of property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

|                       |   |      |                              |
|-----------------------|---|------|------------------------------|
| Land and buildings    |   | 50   | years or over the lease term |
| Plant and machinery   | 4 | - 20 | years                        |
| Motor vehicles        |   | 3    | years                        |
| Fixtures and fittings | 3 | - 5  | years                        |

**3.12 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**3.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**3.14 Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and initial measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Accounting policies (continued)**

**3.14 Financial instruments (continued)**

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL or FVOCI. The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within administrative expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements consist of trade and other receivables.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include loans and borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**3. Accounting policies (continued)**

**3.14 Financial instruments (continued)**

Financial guarantee contracts

A financial guarantee contract is initially recognised at fair value. At the end of each reporting period, financial guarantees are measured at the higher of:

- the amount of the loss allowance, and
- the amount initially recognised less cumulative amortisation.

The amount of the loss allowance at each subsequent reporting period equals the 12-month expected credit losses. However, where there has been a significant increase in the risk that the specified debtor will default on the contract, the calculation is for lifetime expected credit losses.

**3.15 Valuation of investments in subsidiaries**

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 nominal value of the shares issued together with the fair value of any additional consideration paid.

**3.16 Capital management**

Capital consists of ordinary shares, retained earnings, foreign exchange reserve and merger reserve. The board monitors the return on capital. The Group is not subject to any externally imposed capital requirements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**4. Accounting estimates and judgments**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**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.

**4.1 Estimates and assumptions**

**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 Group establishes a impairment allowance 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 Group establishes a inventory write-down provision to ensure it is 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**5. Financial risk management****Financial risk factors**

The Group's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the main risks facing the Group being the continuity of supply and wider supply chain challenges, pricing volatility affecting margins and movement on foreign exchange (FX).

**Foreign exchange risk**

The Group is exposed to foreign exchange risk on purchases, sales and cash and cash equivalents that are denominated in a currency other than GBP. Foreign exchange risk arises from transactions and recognised assets and liabilities. The foreign exchange risk is mitigated by natural hedges by the existence of foreign currency receivables and payable and the use of foreign currency bank accounts. See sensitivity analysis completed in notes 18, 19 and 26.

**Credit risk**

The Group is responsible for managing and analysing the credit risk for each of its new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables and committed transactions. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

**Liquidity risk**

Cash flow forecasting is performed and the company monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

**Price risk**

To help mitigate these risks the Directors have secured long-term supply agreements wherever possible, diversified the supplier base and focused on month-to-month pricing with customers.

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**6. Revenue**

The following is an analysis of the Group's revenue for the year from operations:

|               | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|---------------|----------------------------|----------------------------|
| Sale of goods | <b>70,732</b>              | <b>64,870</b>              |

Analysis of revenue by country of destination:

|                   | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|-------------------|----------------------------|----------------------------|
| United Kingdom    | <b>22,552</b>              | <b>20,694</b>              |
| Rest of Europe    | <b>45,224</b>              | <b>38,497</b>              |
| Rest of the world | <b>2,956</b>               | <b>5,679</b>               |
|                   | <b>70,732</b>              | <b>64,870</b>              |

**Timing of revenue recognition**

All revenue relates to goods transferred at a point in time.

**7. Other income**

|                                     | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|-------------------------------------|----------------------------|----------------------------|
| Government grants receivable        | -                          | 2                          |
| Research and development tax credit | -                          | 59                         |
|                                     | -                          | 61                         |

**8. (Loss)/profit from operations**

|   | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|---|----------------------------|----------------------------|
| Research & development charged as an expense  | -                          | 146                        |
| Operating lease rentals                       | -                          | 168                        |
| Depreciation of property, plant and equipment | <b>698</b>                 | <b>723</b>                 |
| Exchange differences                          | <b>(125)</b>               | <b>497</b>                 |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**9. Auditors' remuneration**

During the year, the Group obtained the following services from the Group's auditors and their associates:

|   | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|---|----------------------|----------------------|
| Fees payable to the Group's auditor in respect of the audit of the Group's annual consolidated financial statements | <b>40</b>            | <b>55</b>            |
| Fees payable to the Group's auditors and their associates in respect of:  |                      |                      |
| The auditing of the Group's subsidiary's annual financial statements  | <b>15</b>            | <b>17</b>            |

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**10. Employee benefit expenses****Group**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£000</b>  | <b>£000</b>  |
| <b>Employee benefit expenses (including Directors) comprise:</b> |              |              |
| Wages and salaries   | <b>3,588</b> | 3,737        |
| National insurance   | <b>390</b>   | 398          |
| Defined contribution pension cost                                | <b>141</b>   | 132          |
|  | <b>4,119</b> | <b>4,267</b> |

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company listed on page 1, and the Financial Controller of the Company.

|                                   | <b>2022</b> | <b>2021</b> |
|-----------------------------------|-------------|-------------|
|                                   | <b>£000</b> | <b>£000</b> |
| Salary                            | <b>699</b>  | 664         |
| Defined contribution scheme costs | <b>5</b>    | 5           |
|                                   | <b>704</b>  | <b>669</b>  |

The monthly average number of persons, including the Directors, employed by the Group during the year was as follows:

|                | <b>2022</b> | <b>2021</b> |
|----------------|-------------|-------------|
|                | <b>No.</b>  | <b>No.</b>  |
| Production     | <b>103</b>  | 112         |
| Administrative | <b>25</b>   | 39          |
| Management     | <b>21</b>   | 13          |
|                | <b>149</b>  | <b>164</b>  |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**10. Employee benefit expenses (continued)****Company**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£000</b>  | <b>£000</b>  |
| <b>Employee benefit expenses (including Directors) comprise:</b> |              |              |
| Wages and salaries   | <b>2,546</b> | <b>2,752</b> |
| National insurance   | <b>278</b>   | <b>297</b>   |
| Defined contribution pension cost                                | <b>45</b>    | <b>44</b>    |
|  | <b>2,869</b> | <b>3,093</b> |

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company listed on page 1, and the Financial Controller of the Company.

|                                   | <b>2022</b> | <b>2021</b> |
|-----------------------------------|-------------|-------------|
|                                   | <b>£000</b> | <b>£000</b> |
| Salary                            | <b>699</b>  | <b>664</b>  |
| Defined contribution scheme costs | <b>5</b>    | <b>5</b>    |
|                                   | <b>704</b>  | <b>669</b>  |

The monthly average number of persons, including the Directors, employed by the Company during the year was as follows:

|                | <b>2022</b> | <b>2021</b> |
|----------------|-------------|-------------|
|                | <b>No.</b>  | <b>No.</b>  |
| Production     | <b>40</b>   | <b>42</b>   |
| Administrative | <b>16</b>   | <b>24</b>   |
| Management     | <b>14</b>   | <b>12</b>   |
|                | <b>70</b>   | <b>78</b>   |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**11. Directors' remuneration**

|  | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|----------------------|----------------------|
| Directors' emoluments                  | <b>613</b>           | <b>577</b>           |
| Group contributions to pension schemes | <b>4</b>             | <b>4</b>             |
|  | <b>617</b>           | <b>581</b>           |

Included within directors' emoluments is £137k (2021 - £Nil) paid as compensation for loss of office. This and related legal expenses have been recorded as exceptional expenses.

During the year, retirement benefits were accruing to the following number of directors in respect of qualifying services:

|                              | <b>2022</b> | <b>2021</b> |
|------------------------------|-------------|-------------|
| Defined contribution schemes | <b>3</b>    | <b>3</b>    |

The highest paid director's emoluments were as follows:

|  | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|----------------------|----------------------|
| Total emoluments and amounts receivable under long-term incentive schemes (excluding shares) | <b>285</b>           | <b>291</b>           |
| Group contributions to pension schemes   | <b>1</b>             | <b>1</b>             |
|  | <b>286</b>           | <b>292</b>           |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**12. Finance income and expense****Recognised in profit or loss**

|   | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|---|----------------------------|----------------------------|
| <b>Finance income</b>                                   |                            |                            |
| Interest receivable from group companies                | <b>5</b>                   | <b>-</b>                   |
| <b>Total finance income</b>                             | <b>5</b>                   | <b>-</b>                   |
| <b>Finance expense</b>                                  |                            |                            |
| Bank interest payable                                   | <b>273</b>                 | <b>156</b>                 |
| Interest on lease liabilities                           | <b>59</b>                  | <b>60</b>                  |
| <b>Total finance expense</b>                            | <b>332</b>                 | <b>216</b>                 |
| <b>Net finance expense recognised in profit or loss</b> | <b>(327)</b>               | <b>(216)</b>               |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**13. Tax expense****13.1 Income tax recognised in profit or loss**

|  | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|----------------------|----------------------|
| <b>Current tax</b>                             |                      |                      |
| Current tax on profits for the year            | -                    | 349                  |
| Adjustments in respect of prior years          | -                    | 48                   |
| Overseas tax                                   | 177                  | 284                  |
| Double tax relief                              | -                    | (284)                |
| <b>Total current tax</b>                       | <b>177</b>           | <b>397</b>           |
| <b>Deferred tax expense</b>                    |                      |                      |
| Origination and reversal of timing differences | -                    | 25                   |
| <b>Total deferred tax</b>                      | <b>-</b>             | <b>25</b>            |
|  | <b>177</b>           | <b>422</b>           |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**13. Tax expense (continued)****13.1 Income tax recognised in profit or loss (continued)**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

|  | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|----------------------|----------------------|
| Profit for the year  | <b>61</b>            | 1,621                |
| Income tax expense   | <b>177</b>           | 422                  |
| <b>Profit before income taxes</b>                                      | <b>238</b>           | 2,043                |
| Tax using the Company's domestic tax rate of 19% (2021:19%)            | <b>45</b>            | 388                  |
| Expenses not deductible for tax purposes                               | -                    | 3                    |
| Adjustments to tax charge in respect of prior periods                  | -                    | 48                   |
| Fixed asset differences  | <b>(46)</b>          | (2)                  |
| Other timing differences leading to an increase/(decrease) in taxation | -                    | 2                    |
| Differences in tax rate  | -                    | 78                   |
| Research and development tax credit                                    | -                    | (59)                 |
| Unrelieved tax losses carried forward                                  | <b>178</b>           | -                    |
| Deferred tax not recognised  | -                    | (36)                 |
| <b>Total tax expense</b>   | <b>177</b>           | 422                  |

**Changes in tax rates and factors affecting the future tax charges**

The UK Government announced in the 2021 budget from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19% which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

**13.2 Current tax assets and liabilities**

|                                | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--------------------------------|----------------------|----------------------|
| <b>Current tax assets</b>      |                      |                      |
| Corporation tax repayable      | <b>12</b>            | 12                   |
|                                | <b>12</b>            | 12                   |
| <b>Current tax liabilities</b> |                      |                      |

**13.3 Deferred tax balances**

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**13. Tax expense (continued)**

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

|                          | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--------------------------|----------------------|----------------------|
| Deferred tax assets      | <b>34</b>            | <b>34</b>            |
| Deferred tax liabilities | <b>(117)</b>         | <b>(116)</b>         |
|                          | <b>(83)</b>          | <b>(82)</b>          |

|                               | <b>Opening<br/>balance<br/>£000</b> | <b>Recognised in<br/>other<br/>comprehensive<br/>income<br/>£000</b> | <b>Closing<br/>balance<br/>£000</b> |
|-------------------------------|-------------------------------------|--|-------------------------------------|
| <b>2022</b>                   |                                     |  |                                     |
| Property, plant and equipment | 25                                  | -  | 25                                  |
| Tax losses carried forward    | (107)                               | (1)  | (108)                               |
|                               | <b>(82)</b>                         | <b>(1)</b>   | <b>(83)</b>                         |

|                               | <b>Opening<br/>balance<br/>£000</b> | <b>Recognised in<br/>profit or loss<br/>£000</b> | <b>Closing<br/>balance<br/>£000</b> |
|-------------------------------|-------------------------------------|--|-------------------------------------|
| <b>2021</b>                   |                                     |  |                                     |
| Property, plant and equipment | (130)                               | 155  | 25                                  |
| Tax losses carried forward    | 73                                  | (180)  | (107)                               |
|                               | <b>(57)</b>                         | <b>(25)</b>                                      | <b>(82)</b>                         |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Property, plant and equipment****Group**

|                               | <b>Land and<br/>buildings<br/>£000</b> | <b>Plant and<br/>machinery<br/>£000</b> | <b>Motor<br/>vehicles<br/>£000</b> | <b>Fixtures and<br/>fittings<br/>£000</b> | <b>Total<br/>£000</b> |
|-------------------------------|--|---|------------------------------------|---|-----------------------|
| <b>Cost or valuation</b>      |  |   |                                    |   |                       |
| At 1 January 2021             | 3,274                                  | 4,595                                   | 53                                 | 436                                       | 8,358                 |
| Additions                     | 270                                    | 306                                     | -                                  | 6   | 582                   |
| Disposals                     | -                                      | (29)                                    | -                                  | (7)                                       | (36)                  |
| Foreign exchange<br>movements | (135)                                  | (43)                                    | -                                  | 2   | (176)                 |
| <b>At 31 December 2021</b>    | <b>3,409</b>                           | <b>4,829</b>                            | <b>53</b>                          | <b>437</b>                                | <b>8,728</b>          |
| Additions                     | 48                                     | 827                                     | -                                  | 16  | 891                   |
| Disposals                     | -                                      | (31)                                    | -                                  | (2)                                       | (33)                  |
| Foreign exchange<br>movements | 60                                     | 72                                      | -                                  | -   | 132                   |
| <b>At 31 December 2022</b>    | <b>3,517</b>                           | <b>5,697</b>                            | <b>53</b>                          | <b>451</b>                                | <b>9,718</b>          |

**MATRIX POLYMERS LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. Property, plant and equipment (continued)**

|  | Land and<br>buildings<br>£000 | Plant and<br>machinery<br>£000 | Motor<br>vehicles<br>£000 | Fixtures and<br>fittings<br>£000 | Total<br>£000 |
|--|-------------------------------|--------------------------------|---------------------------|----------------------------------|---------------|
| <b>Accumulated depreciation<br/>and impairment</b> |                               |                                |                           |                                  |               |
| At 1 January 2021                                  | 621                           | 3,143                          | 19                        | 293                              | 4,076         |
| Charge owned for the year                          | 4                             | 375                            | -                         | 46                               | 425           |
| Charged financed for the<br>year                   | 182                           | 95                             | 21                        | -                                | 298           |
| Disposals  | -                             | (29)                           | -                         | (7)                              | (36)          |
| Exchange adjustments                               | 59                            | (93)                           | -                         | (15)                             | (49)          |
| <b>At 31 December 2021</b>                         | <b>866</b>                    | <b>3,491</b>                   | <b>40</b>                 | <b>317</b>                       | <b>4,714</b>  |
| Charge owned for the year                          | 53                            | 355                            | -                         | 42                               | 450           |
| Charged financed for the<br>year                   | 178                           | 57                             | 13                        | -                                | 248           |
| Disposals  | -                             | (31)                           | -                         | (2)                              | (33)          |
| Exchange adjustments                               | 30                            | (28)                           | -                         | -                                | 2             |
| <b>At 31 December 2022</b>                         | <b>1,127</b>                  | <b>3,844</b>                   | <b>53</b>                 | <b>357</b>                       | <b>5,381</b>  |
| <b>Net book value</b>                              |                               |                                |                           |                                  |               |
| At 1 January 2021                                  | 2,653                         | 1,452                          | 34                        | 143                              | 4,282         |
| At 31 December 2021                                | 2,543                         | 1,338                          | 13                        | 120                              | 4,014         |
| At 31 December 2022                                | 2,390                         | 1,853                          | -                         | 94                               | 4,337         |

**14.1. Assets held under leases**

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated Statement of Financial Position is as follows:

|  | 31<br>December<br>2022<br>£000 | 31<br>December<br>2021<br>£000 |
|--|--------------------------------|--------------------------------|
| Property, plant and equipment owned                | 3,102                          | 2,555                          |
| Right-of-use assets, excluding investment property | 1,235                          | 1,459                          |
|  | <b>4,337</b>                   | <b>4,014</b>                   |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Property, plant and equipment (continued)****14.1 Assets held under leases (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

|                     | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|---------------------|--|--|
| Land and buildings  | 972                                      | 1,149                                    |
| Plant and machinery | 263                                      | 298                                      |
| Motor vehicles      | -  | 12                                       |
|                     | <b>1,235</b>                             | <b>1,459</b>                             |

**Depreciation charge for the year ended**

|                     | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|---------------------|--|--|
| Land and buildings  | 178                                      | 183                                      |
| Plant and machinery | 57                                       | 94                                       |
| Motor vehicles      | 12                                       | 21                                       |
| Other fixed assets  | 1  | -  |
|                     | <b>248</b>                               | <b>298</b>                               |

**Additions to right-of-use assets**

|                                  | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|----------------------------------|--|--|
| Additions to right-of-use assets | 70                                       | 311                                      |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Property, plant and equipment (continued)**

**Company**

|  | <b>Land and<br/>buildings<br/>£000</b> | <b>Plant and<br/>machinery<br/>£000</b> | <b>Motor<br/>vehicles<br/>£000</b> | <b>Fixtures and<br/>fittings<br/>£000</b> | <b>Total<br/>£000</b> |
|--|--|---|------------------------------------|---|-----------------------|
| <b>Cost or valuation</b>                           |  |   |                                    |   |                       |
| At 1 January 2021                                  | 1,651                                  | 2,568                                   | 53                                 | 373                                       | 4,645                 |
| Additions  | 270                                    | 194                                     | -                                  | 4   | 468                   |
| <b>At 31 December 2021</b>                         | <b>1,921</b>                           | <b>2,762</b>                            | <b>53</b>                          | <b>377</b>                                | <b>5,113</b>          |
| Additions  | 48                                     | 323                                     | -                                  | 5   | 376                   |
| Disposals  | -                                      | (31)                                    | -                                  | -   | (31)                  |
| <b>At 31 December 2022</b>                         | <b>1,969</b>                           | <b>3,054</b>                            | <b>53</b>                          | <b>382</b>                                | <b>5,458</b>          |
|  | <b>Land and<br/>buildings<br/>£000</b> | <b>Plant and<br/>machinery<br/>£000</b> | <b>Motor<br/>vehicles<br/>£000</b> | <b>Fixtures and<br/>fittings<br/>£000</b> | <b>Total<br/>£000</b> |
| <b>Accumulated depreciation<br/>and impairment</b> |  |   |                                    |   |                       |
| At 1 January 2021                                  | 420                                    | 1,853                                   | 20                                 | 248                                       | 2,541                 |
| Charge owned for the year                          | 4                                      | 158                                     | -                                  | 44  | 206                   |
| Charged financed for the<br>year                   | 182                                    | 36                                      | 21                                 | -   | 239                   |
| <b>At 31 December 2021</b>                         | <b>606</b>                             | <b>2,047</b>                            | <b>41</b>                          | <b>292</b>                                | <b>2,986</b>          |
| Charge owned for the year                          | 53                                     | 98                                      | -                                  | 36  | 187                   |
| Charged financed for the<br>year                   | 178                                    | 42                                      | 12                                 | -   | 232                   |
| Disposals  | -                                      | (31)                                    | -                                  | -   | (31)                  |
| <b>At 31 December 2022</b>                         | <b>837</b>                             | <b>2,156</b>                            | <b>53</b>                          | <b>328</b>                                | <b>3,374</b>          |
| <b>Net book value</b>                              |  |   |                                    |   |                       |
| At 1 January 2021                                  | 1,231                                  | 715                                     | 33                                 | 125                                       | 2,104                 |
| At 31 December 2021                                | 1,315                                  | 715                                     | 12                                 | 85  | 2,127                 |
| At 31 December 2022                                | 1,132                                  | 898                                     | -                                  | 54  | 2,084                 |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Property, plant and equipment (continued)****14.2. Assets held under leases**

The net book value of owned and leased assets included as "Property, plant and equipment" in the Company Statement of Financial Position is as follows:

|  | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|--|--|--|
| Property, plant and equipment owned                | <b>986</b>                               | 813                                      |
| Right-of-use assets, excluding investment property | <b>1,098</b>                             | 1,314                                    |
|  | <b>2,084</b>                             | 2,127                                    |

Information about right-of-use assets is summarised below:

**Net book value**

|                     | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|---------------------|--|--|
| Land and buildings  | <b>972</b>                               | 1,149                                    |
| Plant and machinery | <b>126</b>                               | 153                                      |
| Motor vehicles      | <b>-</b>                                 | 12                                       |
|                     | <b>1,098</b>                             | 1,314                                    |

**Depreciation charge for the year ended**

|                     | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|---------------------|--|--|
| Land and buildings  | <b>178</b>                               | 183                                      |
| Plant and machinery | <b>42</b>                                | 36                                       |
| Motor vehicles      | <b>12</b>                                | 21                                       |
|                     | <b>232</b>                               | 239                                      |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**14. Property, plant and equipment (continued)**

**14.2 Assets held under leases (continued)**

**Additions to right-of-use assets**

|                                  | <b>31<br/>December<br/>2022<br/>£000</b> | <b>31<br/>December<br/>2021<br/>£000</b> |
|----------------------------------|--|--|
| Additions to right-of-use assets | <b>15</b>                                | <b>311</b>                               |

**15. Leases**

**Group**

**(i) Leases as a lessee**

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Balance Sheet as a right-of-use asset and a lease liability. The Group classifies its right of use assets in a consistent manner to its property, plant and equipment (see note 14).

The lease liabilities are secured by the related underlying assets.

Lease liabilities are due as follows:

|   | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|---|----------------------|----------------------|
| <b>Contractual undiscounted cash flows due</b>  |                      |                      |
| Not later than one year   | <b>226</b>           | <b>444</b>           |
| Between one year and five years   | <b>909</b>           | <b>1,055</b>         |
| Later than five years   | <b>295</b>           | <b>308</b>           |
|   | <b>1,430</b>         | <b>1,807</b>         |
| Lease liabilities included in the Consolidated Statement of Financial Position at 31 December | <b>1,279</b>         | <b>1,493</b>         |
| Non-current   | <b>1,054</b>         | <b>1,147</b>         |
| Current   | <b>225</b>           | <b>346</b>           |

The following amounts in respect of leases have been recognised in profit or loss:

|                                       | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|---------------------------------------|----------------------|----------------------|
| Interest expense on lease liabilities | <b>59</b>            | <b>61</b>            |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**15. Leases (continued)****Company****(ii) Leases as a lessee**

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Balance Sheet as a right-of-use asset and a lease liability. The Company classifies its right of use assets in a consistent manner to its property, plant and equipment (see note 14).

The lease liabilities are secured by the related underlying assets.

Lease liabilities are due as follows:

|  | 2022<br>£000 | 2021<br>£000 |
|--|--------------|--------------|
| <b>Contractual undiscounted cash flows due</b>   |              |              |
| Not later than one year  | 216          | 262          |
| Between one year and five years  | 871          | 950          |
| Later than five years  | 59           | 308          |
|  | <u>1,146</u> | <u>1,520</u> |
| Lease liabilities included in the Company Statement of Financial Position at 31 December | <u>1,146</u> | <u>1,351</u> |
| Non-current  | 930          | 1,147        |
| Current  | <u>216</u>   | <u>204</u>   |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**15. Leases (continued)**

The following amounts in respect of leases have been recognised in profit or loss:

|                                       | <b>2022</b> | <b>2021</b> |
|---------------------------------------|-------------|-------------|
|                                       | <b>£000</b> | <b>£000</b> |
| Interest expense on lease liabilities | <b>43</b>   | <b>43</b>   |

**16. Other non-current investments****Group****Company**

|                                     | <b>2022</b>  | <b>2021</b>  |
|-------------------------------------|--------------|--------------|
|                                     | <b>£000</b>  | <b>£000</b>  |
| Investments in subsidiary companies | <b>1,601</b> | <b>1,599</b> |

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

| <b>Name</b>                      | <b>Class of shares</b> | <b>Principal activity</b> | <b>Holding</b> |
|----------------------------------|------------------------|---------------------------|----------------|
| Matrix Polymers Polska Sp Z.O.O. | Ordinary               | Polymer processing        | 100%           |

The registered office of the subsidiary company is Ul, Torunska 239/241, 62-600 Kolo, Poland.

**17. Inventories****Group**

|                                     | <b>2022</b>  | <b>2021</b>  |
|-------------------------------------|--------------|--------------|
|                                     | <b>£000</b>  | <b>£000</b>  |
| Raw materials                       | <b>33</b>    | <b>70</b>    |
| Work in progress                    | <b>7</b>     | <b>62</b>    |
| Finished goods and goods for resale | <b>5,367</b> | <b>8,381</b> |
|                                     | <b>5,407</b> | <b>8,513</b> |

The amount of inventories recognised as an expense during 2022 was £59,405k (2021 - £53,865k).

As at 31 December 2022, an allowance for obsolescence of £507k (2021 - £263k) has been recognised in respect of obsolete and slow moving inventory.

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**17. Inventories (continued)****Company**

|                                     | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|-------------------------------------|----------------------|----------------------|
| Raw materials                       | 33                   | 70                   |
| Work in progress                    | 7                    | 62                   |
| Finished goods and goods for resale | 5,367                | 8,381                |
|                                     | <u>5,407</u>         | <u>8,513</u>         |

The amount of inventories recognised as an expense during 2022 was £59,412k (2021 - £53,865k).

As at 31 December 2022, a inventory provision of £507k (2021 - £263k) has been recognised in respect of obsolete and slow moving inventory.

**18. Trade and other receivables****Group**

|  | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|----------------------|----------------------|
| <b>Current</b>   |                      |                      |
| Trade receivables  | 11,069               | 11,331               |
| Receivables from related parties   | 1,201                | 2,431                |
| <b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b> | <u>12,270</u>        | <u>13,762</u>        |
| Prepayments and accrued income   | 538                  | 821                  |
| Other receivables  | 273                  | 322                  |
| <b>Total current trade and other receivables</b>   | <u>13,081</u>        | <u>14,905</u>        |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**18. Trade and other receivables (continued)**

As at 31 December 2022, a trade receivables provision of £5k (2021 - £14k) has been recognised.

Amounts receivable from trade customers are non-interest bearing.

The fair value of trade and other receivables is not materially different from the carrying value.

Included within receivables is an amount of £8,783k receivable in Euros, £50k receivable in US Dollars and £12k receivable in Polish Zloty. Total foreign currency receivables is £8,845k.

Exposure to foreign currency exchange rate fluctuations is naturally hedged by the existence of foreign currency receivables and payables. An estimation of the impact of a 10% swing in exchange rates is detailed below.

| <b>2022</b>                    | <b>10% increase in<br/>2022 FX rate</b> | <b>10% decrease in<br/>2022 FX rate</b> |
|--------------------------------|---|---|
|                                | <b>£</b>                                | <b>£</b>                                |
| Trade receivables - EUR 8,783k | 1.24212 7,985k                          | 1.01628 9,759k                          |
| Trade receivables - USD 50k    | 1.32990 45k                             | 1.08810 55k                             |
| Trade receivables - PLN 12k    | 5.825269 11k                            | 4.76613 13k                             |
| <b>Total</b>                   | <b>8,041k</b>                           | <b>9,827k</b>                           |

**Company**

|  | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|--|----------------------|----------------------|
| <b>Current</b>   |                      |                      |
| Trade receivables  | <b>11,068</b>        | 11,329               |
| Receivables from related parties   | <b>1,201</b>         | 2,431                |
| <b>Total financial assets other than cash and cash equivalents classified<br/>as loans and receivables</b> | <b>12,269</b>        | 13,760               |
| Prepayments and accrued income   | <b>488</b>           | 726                  |
| Other receivables  | <b>217</b>           | 260                  |
| <b>Total current trade and other receivables</b>   | <b>12,974</b>        | 14,746               |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**18. Trade and other receivables (continued)**

As at 31 December 2022, a trade receivables provision of £5k (2021 - £14k) has been recognised.

Amounts receivable from trade customers are non-interest bearing.

The fair value of trade and other receivables is not materially different from the carrying value.

Included within receivables is an amount of £8,783k receivable in Euros, £54k receivable in US Dollars, £11k receivable in Polish Zloty, £175k receivable in Australian Dollars, and £3k receivable in New Zealand Dollars. Total foreign currency receivables is £9,026k.

Exposure to foreign currency exchange rate fluctuations is naturally hedged by the existence of foreign currency receivables and payables. An estimation of the impact of a 10% swing in exchange rates is detailed below.

| 2022                           | 10% increase in<br>2022 FX rate | 10% decrease in<br>2022 FX rate |
|--------------------------------|---------------------------------|---------------------------------|
|                                | £                               | £                               |
| Trade receivables - EUR 8,783k | 1.24212 7,985k                  | 1.01628 9,759k                  |
| Trade receivables - USD 54k    | 1.32990 49k                     | 1.08810 60k                     |
| Trade receivables - PLN 11k    | 5.825269 10k                    | 4.76613 12k                     |
| Trade receivables - AUD 175k   | 1.94997 159k                    | 1.59543 194k                    |
| Trade receivables - NZD 3k     | 2.09308 3k                      | 1.71252 3k                      |
| <b>Total</b>                   | <b>8,206k</b>                   | <b>10,028k</b>                  |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**19. Trade and other payables**

**Group**

|  | <b>2022</b>  | <b>2021</b> |
|--|--------------|-------------|
|  | <b>£000</b>  | <b>£000</b> |
| <b>Current</b>   |              |             |
| Trade payables   | <b>6,737</b> | 9,391       |
| Payables to related parties  | -            | 2,414       |
| Other payables   | <b>364</b>   | 223         |
| Accruals   | <b>715</b>   | 857         |
| <b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b> | <b>7,816</b> | 12,885      |
| Deferred income  | <b>8</b>     | 10          |
| <b>Total current trade and other payables</b>  | <b>7,824</b> | 12,895      |

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Included within payables is an amount of £5,165k payable in Euros, £317k payable in US Dollars, and £3,368k payable in Polish Zloty.

Exposure to foreign currency exchange rate fluctuations is naturally hedged by the existence of foreign currency receivables and payables. An estimation of the impact of a 10% swing in exchange rates is detailed below.

|                      | <b>2022</b> |          | <b>10% increase in<br/>2022 FX rate</b> |         | <b>10% decrease in<br/>2022 FX rate</b> |
|----------------------|-------------|----------|---|---------|---|
|                      |             |          | <b>£</b>                                |         | <b>£</b>                                |
| Trade payables - EUR | 5,165k      | 1.24212  | 4,695k                                  | 1.01628 | 5,739k                                  |
| Trade payables - USD | 317k        | 1.32990  | 288k                                    | 1.08810 | 352k                                    |
| Trade payables - PLN | 3,368k      | 5.825269 | 3,062k                                  | 4.76613 | 3,742k                                  |
| <b>Total</b>         |             |          | <b>8,045k</b>                           |         | <b>9,833k</b>                           |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**19. Trade and other payables (continued)**

**Company**

|  | <b>2022</b>   | <b>2021</b> |
|--|---------------|-------------|
|  | <b>£000</b>   | <b>£000</b> |
| <b>Current</b>   |               |             |
| Trade payables   | <b>6,624</b>  | 9,364       |
| Payables to related parties  | <b>3,307</b>  | 4,991       |
| Other payables   | <b>193</b>    | 111         |
| Accruals   | <b>596</b>    | 715         |
| <b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b> | <b>10,720</b> | 15,181      |
| Deferred income  | <b>8</b>      | 10          |
| <b>Total current trade and other payables</b>  | <b>10,728</b> | 15,191      |

Included within payables is an amount of £5,165k payable in Euros, £318k payable in US Dollars, and £3,362k payable in Polish Zloty.

Exposure to foreign currency exchange rate fluctuations is naturally hedged by the existence of foreign currency receivables and payables. An estimation of the impact of a 10% swing in exchange rates is detailed below.

|                      | <b>2022</b> | <b>10% increase in<br/>2022 FX rate</b> | <b>10% decrease in<br/>2022 FX rate</b> |
|----------------------|-------------|---|---|
|                      |             | <b>£</b>                                | <b>£</b>                                |
| Trade payables - EUR | 5,165k      | 1.24212 4,695k                          | 1.01628 5,739k                          |
| Trade payables - USD | 318k        | 1.32990 289k                            | 1.08810 353k                            |
| Trade payables - PLN | 3,362k      | 5.825269 3,056k                         | 4.76613 3,735k                          |
| <b>Total</b>         |             | <b>8,040k</b>                           | <b>9,827k</b>                           |

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**20. Loans and borrowings****Group**

|                                   | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|-----------------------------------|----------------------|----------------------|
| <b>Non-current</b>                |                      |                      |
| Lease liabilities                 | <b>1,054</b>         | <b>1,147</b>         |
|                                   | <b>1,054</b>         | <b>1,147</b>         |
| <b>Current</b>                    |                      |                      |
| Overdrafts                        | <b>70</b>            | <b>195</b>           |
| Invoice discounting               | <b>8,821</b>         | <b>8,952</b>         |
| Lease liabilities                 | <b>225</b>           | <b>346</b>           |
|                                   | <b>9,116</b>         | <b>9,493</b>         |
| <b>Total loans and borrowings</b> | <b>10,170</b>        | <b>10,640</b>        |

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

Invoice discounting of £8,821k (2021 - £8,952k) is secured by a charge over the book debts of the Group.

The bank overdraft of £70k (2021 - £195k) is secured by a charge over all assets of the Group.

**Company**

|                                   | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|-----------------------------------|----------------------|----------------------|
| <b>Non-current</b>                |                      |                      |
| Lease liabilities                 | <b>930</b>           | <b>1,147</b>         |
|                                   | <b>930</b>           | <b>1,147</b>         |
| <b>Current</b>                    |                      |                      |
| Overdrafts                        | <b>70</b>            | <b>195</b>           |
| Invoice discounting               | <b>8,821</b>         | <b>8,952</b>         |
| Lease liabilities                 | <b>216</b>           | <b>204</b>           |
|                                   | <b>9,107</b>         | <b>9,351</b>         |
| <b>Total loans and borrowings</b> | <b>10,037</b>        | <b>10,498</b>        |

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**21. Share capital****Authorised**

|                                 | 2022<br>Number | 2022<br>£000 | 2021<br>Number | 2021<br>£000 |
|---------------------------------|----------------|--------------|----------------|--------------|
| <b>Shares treated as equity</b> |                |              |                |              |
| Ordinary shares of £1 each      | 50,000         | 50           | 50,000         | 50           |
|                                 | <u>50,000</u>  | <u>50</u>    | <u>50,000</u>  | <u>50</u>    |

**Issued and fully paid**

|                                   | 2022<br>Number | 2022<br>£000 | 2021<br>Number | 2021<br>£000 |
|-----------------------------------|----------------|--------------|----------------|--------------|
| <b>Ordinary shares of £1 each</b> |                |              |                |              |
| At 1 January and 31 December      | <u>50,000</u>  | <u>50</u>    | <u>50,000</u>  | <u>50</u>    |

The Company has one class of ordinary share, these carrying voting rights but no right to fixed income.

**22. Reserves****Foreign currency translation reserve**

The Foreign currency translation reserve relates to changes in the net asset 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.

**Retained earnings**

Retained earnings represents the aggregate results from the Group, after the payment of dividends.

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**23. Analysis of amounts recognised in other comprehensive income**

|   | Foreign<br>currency<br>translation<br>reserve<br>£000 |
|---|---|
| <b>Year to 31 December 2022</b>                                   |   |
| Exchange differences arising on translation of foreign operations | 183   |
|   | <u>183</u>  |
|   | <u><u>183</u></u>                                     |
| <b>Year to 31 December 2021</b>                                   |   |
| Exchange differences arising on translation of foreign operations | (217)   |
|   | <u>(217)</u>  |
|   | <u><u>(217)</u></u>                                   |

**24. Related party transactions**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Key management personnel compensation is disclosed in note 10.

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**MATRIX POLYMERS LIMITED**

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**24. Related party transactions (continued)****24.1 Trading transactions**

During the year, Group entities entered into the following trading transactions with other group companies controlled by the ultimate parent company Revolve Group Limited:

Sales of goods total value of £169k (2021 - £431k)  
Matrix Polymers Australia Pty Limited  
Matrix Polymers New Zealand Pty Limited  
Matrix Polymers Thai Co. Limited  
Revolve Group Limited  
Revolve Matrix Polymers Malaysia Sdn Bhd

Purchases of goods total value of £359k (2021 - £527k)  
Revolve Matrix Polymers Malaysia Sdn Bhd

Amounts outstanding in respect of these transactions at 31 December 2022 were:  
Owed to Matrix Polymers Limited - £802k (2021 - £2,431k)  
Owed by Matrix Polymers Limited - £Nil (2021 - £Nil)

During the year, the Group entered into the following trading transactions with other related parties:

|  | <b>Purchases of goods</b> |              |
|--|---------------------------|--------------|
|  | <b>2022</b>               | <b>2021</b>  |
|  | <b>£000</b>               | <b>£000</b>  |
| GC Marketing Solutions Company Limited     | -                         | 5,001        |
| PTT Global Chemical Public Company Limited | 6,238                     | -            |
|  | <u>6,238</u>              | <u>5,001</u> |

The following balances were outstanding at the end of the reporting period:

|  | <b>Amounts owed to related parties</b> |              |
|--|--|--------------|
|  | <b>2022</b>                            | <b>2021</b>  |
|  | <b>£000</b>                            | <b>£000</b>  |
| GC Marketing Solutions Company Limited     | -                                      | 2,722        |
| PTT Global Chemical Public Company Limited | 225                                    | -            |
|  | <u>225</u>                             | <u>2,722</u> |

No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties. No guarantees have been given or received.

GC Marketing Solutions Company Limited is 99% owned by PTT Global Chemical Public Company Limited. PTT Global Chemical Public Company Limited holds a 49% shareholding in Revolve Group Limited, the Company's Parent Company.

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**25. Controlling party**

At 31 December 2022 the Company's ultimate Parent Company was Revolve Group Limited ("the Group"), a company registered at 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 Companies House.

The largest and smallest group in which these financial statements are consolidated is that headed by Revolve Group Limited.

The Group considers the Director, M Coles by virtue of his majority shareholding, and PTT Global Chemical Public Company Limited by virtue of its 49% shareholding, to be the controlling parties.

**26. Notes supporting statement of cash flows**

**Group**

|   | <b>2022</b> | <b>2021</b>  |
|---|-------------|--------------|
|   | <b>£000</b> | <b>£000</b>  |
| Cash at bank available on demand  | <b>100</b>  | <b>788</b>   |
| Cash on hand  | <b>-</b>    | <b>1</b>     |
| <b>Cash and cash equivalents in the statement of financial position</b> | <b>100</b>  | <b>789</b>   |
| Bank overdrafts used for cash management purposes                       | <b>(70)</b> | <b>(195)</b> |
| <b>Cash and cash equivalents in the statement of cash flows</b>         | <b>30</b>   | <b>594</b>   |

|                    | <b>2022</b> | <b>FX rate</b> | <b>£</b>   |
|--------------------|-------------|----------------|------------|
| Cash at bank - EUR | 2,140       | 1.12920        | 2k         |
| Cash at bank - USD | 1,812       | 1.20900        | 1k         |
| Cash at bank - PLN | 109,775     | 5.30010        | 21k        |
| <b>Total</b>       |             |                | <b>24k</b> |

Exposure to foreign currency exchange rate fluctuations is naturally hedged by the existence of foreign currency receivables and payables. An estimation of the impact of a 10% swing in exchange rates is detailed below.

| <b>2022</b>        |          | <b>10% increase<br/>in FX rate</b> | <b>10% decrease<br/>in FX rate</b> |
|--------------------|----------|------------------------------------|------------------------------------|
| Cash at bank - EUR | 1.24212  | £2k                                | £2k                                |
| Cash at bank - USD | 1.32990  | £1k                                | £2k                                |
| Cash at bank - PLN | 5.825269 | £19k                               | £23k                               |
| <b>Total</b>       |          | <b>£22k</b>                        | <b>£27k</b>                        |

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**MATRIX POLYMERS LIMITED**


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**Company**

|   | <b>2022<br/>£000</b> | <b>2021<br/>£000</b> |
|---|----------------------|----------------------|
| Cash at bank available on demand  | <b>97</b>            | 779                  |
| Cash on hand  | -                    | 1                    |
| <b>Cash and cash equivalents in the statement of financial position</b> | <b>97</b>            | 780                  |
| Bank overdrafts used for cash management purposes                       | <b>(70)</b>          | (195)                |
| <b>Cash and cash equivalents in the statement of cash flows</b>         | <b>27</b>            | 585                  |

|                    | <b>2022</b> | <b>FX rate</b> | <b>£</b>   |
|--------------------|-------------|----------------|------------|
| Cash at bank - EUR | 1,501       | 1.12920        | 1k         |
| Cash at bank - USD | 1,812       | 1.20900        | 2k         |
| Cash at bank - PLN | 96,134      | 5.30010        | 18k        |
| <b>Total</b>       |             |                | <b>21k</b> |

Exposure to foreign currency exchange rate fluctuations is naturally hedged by the existence of foreign currency receivables and payables. An estimation of the impact of a 10% swing in exchange rates is detailed below.

| <b>2022</b>        |          | <b>10% increase<br/>in FX rate</b> |         | <b>10% decrease<br/>in FX rate</b> |
|--------------------|----------|------------------------------------|---------|------------------------------------|
| Cash at bank - EUR | 1.24212  | £1k                                | 1.01628 | £1k                                |
| Cash at bank - USD | 1.32990  | £1k                                | 1.08810 | £2k                                |
| Cash at bank - PLN | 5.825269 | £17k                               | 4.76613 | £20k                               |
| <b>Total</b>       |          | <b>£19k</b>                        |         | <b>£23k</b>                        |